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Reference is made in the schedule only to those sections shown in this index that are included and policy wordings are attached in respect of those sections only.

The number of pages in each included section is shown at the foot of each page of such section. In addition, each section schedule makes reference to the relevant section and general section wording that applies to that section. Please check to ensure that all correct pages of all included sections are contained in this document.

At renewal or revision, policy wordings will not be reissued. This schedule will be updated and reissued as necessary together with any section schedule which may have changes.

General Exceptions, Conditions and Provisions

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

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

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

General exceptions

1. War, riot and terrorism

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

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

- (B) This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.

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

For the purpose of this General exception 1(C) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

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

General Exceptions, Conditions and Provisions

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 by or arising from:

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

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

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

3. Computer losses

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

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

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

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

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

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

Special extension to General exception 3

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

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

- 1. storm, wind, water, hail or snow excluding damage to property
 - a) arising from its undergoing any process necessarily involving the use or application of water;
 - b) caused by tidal wave originating from earthquake or volcanic eruption;
 - c) in the underground workings of any mine;

General Exceptions, Conditions and Provisions

- d) in the open (other than buildings structures and plant designed to exist or operate in the open);
 - e) in any structure not completely roofed;
 - f) being retaining walls;
2. aircraft and other aerial devices or articles dropped therefrom;
3. impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.

} unless so described and specifically insured as a separate item

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

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

4. Asbestos Exclusion

[applicable to the Public Liability section, the Employers Liability section, the Umbrella Liability section, the Broadform Public Liability section, the Personal Liability section, sub-section D (Liability) of the Buildings Combined section, sub-section D: (Property owner's liability) of the Houseowners section and Extensions 17. Tenants liability and 18. Liability to the public of the Householders section]

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

5. Sanctions Exclusion

The company shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the company to any sanction, prohibition or restriction under United Nations or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

General conditions

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

1. Misrepresentation, misdescription and non-disclosure

Misrepresentation, misdescription or non-disclosure in any material particular shall render voidable the particular item, section or sub-section of the policy, as the case may be, affected by such misrepresentation, misdescription or non-disclosure.

2. Other insurance

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

General Exceptions, Conditions and Provisions

3A. Cancellation

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

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

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

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

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

4. Adjustment of premium

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

5. Prevention of loss

The insured shall take all reasonable steps and precautions to prevent accidents or losses.

6. Claims

- (a) On the happening of any event which may result in a claim under this policy the insured shall, at their own expense
 - (i) give notice thereof to the company as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured
 - (ii) as soon as practicable after the event inform the police of any claim involving theft or (if required by the company) loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property
 - (iii) as soon as practicable after the event submit to the company full details in writing of any claim
 - (iv) give the company such proof, information and sworn declarations as the company may require and forward to the company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim.
- (b) No claim (other than a claim under the business interruption, fidelity, stated benefits or group personal accident section or the personal accident (assault) extension under the money section, if applicable) shall be payable after the expiry of 24 months or such further time as the company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- (c) No claim shall be payable unless the insured claims payment by serving legal process on the company within 12 months of the rejection of the claim in writing and pursues such proceedings to finality.

General Exceptions, Conditions and Provisions

- (d) If, after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called on to do so by the company, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by the company. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay to the company all amounts paid in respect of the claim.

7. Company's rights after an event

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

8. Fraud

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

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

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

10. Breach of conditions

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

11. No rights to other persons

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

General Exceptions, Conditions and Provisions

12. Collective insurances

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

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

and General condition 7 is substituted by the following:

"7. Company's rights after an event

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

General provisions

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

A. Claims preparation costs

The insurance provided by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company in terms of general condition 6 or to substantiate the amount of any claim, provided that the liability of the company for such costs in respect of any one claim shall not exceed, in respect of a particular section, R5 000 or 10% of the sum insured or limit of indemnity on the item affected, whichever is the lesser amount, plus any amount stated in the schedule to each section against an item for additional claim preparation costs.

B. Payments on account

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

C. First amount payable

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

General Exceptions, Conditions and Provisions

D. Members

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

E. Liability under more than one section

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

F. Meaning of words

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

G. Premium payment

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

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

H. Holding covered

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

I. Schedule sums insured blank

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

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

J. Security firms

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

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

K. Value Added Tax

All monetary amounts stated in this policy such as sums insured, limits of indemnity and premiums are deemed to be Value Added Tax (VAT) inclusive amounts. First amounts payable are not subject to VAT.

General Exceptions, Conditions and Provisions

L. Period of Insurance

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

Section	Page and Reference	Amendment
General	4/9: Adjustment of Premium	The words "each period of insurance" are amended to read "each period of twelve consecutive months from the inception date or anniversary date"
Fire	7/8: Specific Condition 1(b) in Stock Declaration Conditions	
Business Interruption	5/8: Deposit Premium Clause	
Accounts Receivable	2/3: Adjustment Clause	
Motor	6/8: Premium Adjustment Clause	
Loss of Profits (Machinery)	6/7: Deposit Premium Clause	
Business Interruption	5/8: Deposit Premium Clause	The words "any period of insurance" are amended to read "any period of twelve consecutive months from the inception date or anniversary date"
Loss of Profits (Machinery)	6/7: Deposit Premium Clause 6/7: Premium Rebate Clause	
Fire	5/8: Capital Additions Clause	If the period of insurance is more often than quarterly then the words "each quarter" are amended to "each month"
Buildings Combined	4/7: Capital Additions Clause	
Office Contents	3/6: Capital Additions Clause	
Fidelity	1/5: Defined Event	Proviso v) is added v) the amount payable during any one period of 12 consecutive months from inception or anniversary date shall not exceed the sum insured stated in the schedule at the said inception or anniversary date as the case may be (or double the sum insured if the "Reduction/Reinstatement of the insured amount clause" applies). If the sum insured is increased the 12 consecutive months applies from the anniversary date. Any reinstatement between the date of increase and the anniversary date shall not exceed twice the sum insured
	4/5: Reduction / Reinstatement of Insured Amount Clause	The words "annual premium" are amended to read "twelve times the monthly premium" for policies with monthly periods of insurance and "four times the quarterly premium" or "twice the bi-annual premium" for policies with quarterly or half-yearly periods of insurance respectively

General Exceptions, Conditions and Provisions

Section	Page and Reference	Amendment
Public Liability (Occurrence Basis)	4/6: Products Liability Extension	The words "any one (annual) period of insurance" are amended to read "any one period of twelve consecutive months from inception date or anniversary date"
	5/6: Defective Workmanship Liability Extension	
	5/6: Wrongful Arrest and Defamation Extension	
Public Liability (Claims Made)	5/7: Products Liability Extension	
	6/7: Defective Workmanship Liability Extension	
	6/7: Wrongful Arrest and Defamation Extension	
Broadform Public Liability	4/9 Sub-section C Products liability/Defective workmanship	
	4/9 Sub-section D - Negligent advice	
	7/9 Statutory defence costs	
	7/9 Wrongful arrest	
	8/9 Defamation	
	8/9 Employers liability	
Umbrella Liability	1/5: Limits of Indemnity	
Motor	3/8: No Claim Rebate Provisions	The Claim-Free Groups applicable will be established at inception date and/or anniversary date and the references to "preceding years" mean the relevant period of 12 consecutive months preceding such dates
Public Liability Schedule	Wrongful Arrest and Defamation	The limit of Indemnity is R75 000 per event or R150 000 any one period of 12 consecutive months from inception date or anniversary date

Accidental Damage

Defined events (i)

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

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

and

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

Specific exceptions

The company shall not be liable for

- (a) any peril excluded or circumstance precluded from any other insurance available from the company at inception hereof or for any excess payable by the insured under such insurance, or for any reduction of amount payable under any claim due to the application of average
- (b) more than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set or collection
- (c) detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process
- (d) unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information
- (e) loss of or damage to insured property caused by
 - (i) any fraudulent scheme, trick, device or false pretence practised on the insured (or any person having custody of the insured property) or fraud or the dishonesty of any principal or agent of the insured
 - (ii) overheating, implosion, cracking, fracturing, 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 or the action of light
- (f) settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any insured property
- (g)
 - (i) loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container
 - (ii) loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes
- (h) failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant
- (i) collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).

Accidental Damage

Definition

Insured property

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

- (a) current coin (including Krugerrands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, and other certificates, documents or instruments of a negotiable nature
- (b) furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art
- (c) property in transit by air, inland waterway or sea
- (d) railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers
- (e) standing or felled trees, crops, animals, land (including topsoil, backfill, drainage and culverts), driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines (external to the premises), tunnels, cables (external to the premises), cableways, bridges, docks, jetties, wharves, piers, excavations, property below the ground or explosives
- (f) electronic data-processing equipment and external data media (punch cards, tape disks and the like) and the information they contain
- (g) property in the course of construction, erection or dismantling including materials or supplies related thereto
- (h) property in the possession of customers under lease, rental, credit or suspensive sale agreements
- (i) glass, china, earthenware, marble and other fragile or brittle objects

unless stated in the schedule to be insured.

Defined events (ii) (if stated in the schedule to be included)

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

Clauses and extensions

Restricted cover clause

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

Additional costs clause

In respect of buildings, plant and machinery insured, the sum insured includes

- (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

Accidental Damage

(e) charges levied by any authorised fire brigade for their services

but the company shall not be liable under (a), (b) or (d) unless the lost or damaged property is replaced or reinstated without undue delay nor under (d) for any expenses in connection with the preparation of the insured's claim.

Further, the company shall not be liable under (c) for any costs or expenses

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

Mortgagees clause

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

Railway and other subrogation clause

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

Tenants clause

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

Memoranda

1. Average (if stated in the schedule to be included)

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

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

2. Excluded property (if stated in the schedule to be included)

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

3. Reinstatement (if stated in the schedule to be included)

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

- (a) the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section shall be made
- (b) the company shall not be liable for any payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section, until expenditure has been incurred by the insured in replacing or reinstating the lost or damaged insured property
- (c) if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon on the occurrence of an insured event, the insured shall be

Accidental Damage

considered his own insurer for the difference and shall bear a rateable share of loss accordingly. Each item, if more than one, to which this memorandum applies shall be separately subject to this provision

- (d) this memorandum shall not apply if
- (i) the insured fail to intimate to the company within six months of the insured event or such further time as the company may allow in writing their intention to replace or reinstate the lost or damaged insured property
 - (ii) the insured are unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

4. First loss average (if stated in the schedule to be included)

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

Accounts Receivable

Defined events

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

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

If, because of imminent danger of their destruction, such books of account or other business books or records are removed to a place of safety, the insurance hereunder shall apply if such goods are destroyed, damaged or lost as aforesaid during such removal or while so located or being returned to the premises, provided the insured shall notify the company in writing of such removal within 30 days thereafter.

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

Specific exceptions

The company will not pay for

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

Specification

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

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

provided that, if the sum insured under this item is less than the outstanding debit balances, the amount payable shall be proportionately reduced.

Definitions

Outstanding debit balances

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

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

(c) any abnormal condition of trade which had or could have had a material effect on the business so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the Damage had the Damage not occurred.

Accounts Receivable

Clauses and memoranda

Declarations

The insured shall, within 60 days of the end of each month or other agreed period, deposit with the company a signed statement showing the total amount outstanding in customers' accounts as set out in the insured's accounts as at the end of the said month.

Adjustment

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

On the expiry of each period of insurance, the actual premium shall be calculated at the rate per cent per annum on the average amount insured, i.e. the total of the sums declared divided by the number of declarations. If the actual premium is greater than the provisional premium, the insured shall pay the difference. If it is less, the difference shall be repaid to the insured, but such repayment shall not exceed 33⅓ per cent of the provisional premium paid.

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

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

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

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

provided that this extension does not cover:

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

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

Accountants clause

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

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

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

Accounts Receivable

Protections (if stated in the schedule to be included)

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

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

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

Broadform Public Liability

Defined events

Injury, damage or loss as hereinafter provided for in the elected insuring sub-sections and extensions for which the insured shall become legally liable in accordance with the law of any country but not in respect of any judgement, award, payment or settlement made within countries which operate under the laws of the United States of America or Canada or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part.

The indemnity provided herein applies only to claims first made against the insured during the period of insurance and arising out of the business specified in the schedule.

For the purpose of determining the indemnity granted:

1. "injury" means death, bodily injury, illness or disease, mental injury of or to any person
2. "damage" means loss of possession or control of or actual damage to tangible property or interference with servitude or right of access or other infringement of real or personal rights to the use of property
3. "pollution" means the emission, discharge, dispersal, disposal, seepage, release or escape of any liquid, solid, gaseous or thermal irritant, contaminant or pollutant into or upon land, the atmosphere or any water-course or body of water or the generation of smells, noises, vibrations, light, electricity, radiation, changes in temperature or any other sensory phenomena, but not fire or explosion
4. "product" means any tangible property after it has left the custody or control of the insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the insured, but shall not mean food and drink supplied by or on behalf of the insured primarily to the insured's employees as a staff benefit.
5. "negligent advice" means incorrect or inadequate advice or information of a technical nature given in the promotion of the insured's products or services but not where such advice or information:
 - (a) is given in exchange for a fee or similar consideration, or
 - (b) is an essential part of a revenue earning activity of the insured.
6. "vehicle" means any land vehicle or trailer (including any machinery or apparatus attached thereto) whether or not subject to vehicle registration or whether or not self-propelled including locomotives and rolling stock.

Continuous exposure clause

In the event of any injury or damage arising from continuous or continual inhalation, ingestion or application of any substance where the insured and the company cannot agree when the injury or damage occurred then:

1. injury shall be deemed to have occurred when the claimant first consulted a qualified medical practitioner in respect of such injury
2. damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

Notification extension clause

Should the insured notify the company during the period of insurance in accordance with specific condition 1 of any specific event or circumstances which the company accepts may give rise to a claim or claims which form the subject of indemnity by this policy, then acceptance of such notification means that company will deal with such claim or claims which may later arise as if they had first been made against the insured during the period of insurance.

Indemnity to others

The indemnity granted extends to:

1. any party who enters into an agreement with the insured for any purpose of the business, but only to the extent required by such agreement to grant such indemnity and subject to sub-section A - exclusion 4 (c) and specific exception 5
2. officials of the insured in their business capacity arising out of the performance of the business or in their private capacity arising out of their temporary engagement of the insured's employees

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3. the officers, committee and members of the insured's canteen, social, sports, medical, fire fighting and welfare organisation in their respective capacities as such
4. any visiting sports team or member thereof in respect of the activities of any sports club formed by the insured for the benefit of their employees
5. the personal representatives of the estate of any person who would otherwise be indemnified by this policy, but only in respect of liability incurred by such person

provided always that all such persons or parties shall observe, fulfil and be subject to the terms, conditions and exceptions of this policy as though they were the insured.

Cross liabilities

Each person or party indemnified is separately indemnified in respect of claims made against any of them by any other, subject to company's total liability not exceeding the stated indemnity limits.

Defence costs

The company will pay all costs, fees and expenses incurred with its prior consent in the investigation defence or settlement of any claim made against the insured and the costs of representation at any inquest, inquiry or other proceedings in respect of matters which have a direct relevance to any claim made or which might be made against the insured, provided such claim or claims are the subject to indemnity by this policy. Such costs, fees and expenses are called "defence costs".

The company will also pay for such emergency medical treatment as may appear necessary in respect of injury which may form the subject of indemnity by this policy.

Indemnity limits

The company's total liability to pay compensation, claimants' costs, fees and expenses and defence costs shall not exceed the indemnity limits stated in the schedule. The indemnity limit shall be the maximum amount of the company's liability in respect of all claims arising out of one original cause.

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 sub-section of this policy, each sub-section shall apply separately and be subject to its own separate limit of liability provided always that the total amount of company's liability shall be limited to the greatest indemnity limit of availability under any one of the sub-sections affording indemnity for the claim or series of claims. All limits stated are payable in excess of the first amount payable applicable to the relevant claim.

Special memorandum

Acquisitions and new business

The indemnity granted by this policy extends to any company formed and/or acquired by the insured during the period of insurance for a period of 30 days of such information or acquisition

Provided always that:-

1. the retroactive date in respect of such new company shall be deemed to be the date of formation or the date when a newly 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 date of acquisition. In the event of no such declaration the retroactive date shall be the date of acquisition
2. the insured's business activity remains unchanged to that declared
3. the annual turnover of all newly formed and/or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the insured as advised to company at inception hereof
4. the insured shall advise the company of such formations and/or acquisitions before the expiry of 30 days thereof and the company reserve the right to amend the terms of this insurance accordingly.

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

Broadform Public Liability

Sub-section A - Public liability

Sub-section A - Indemnity

The insured is indemnified by this sub-section in respect of injury or damage but not against claims for and/or arising out of:

- (a) Pollution
- (b) Any product
- (c) Negligent advice.

Sub-section A - Exclusions

This sub-section does not cover liability for claims arising out of:

1. the ownership possession or use by or on behalf of the insured of any vehicle, other than claims:
 - (a) caused by the use of:
 - (i) any tool or plant forming part of or attached to or used in connection with any vehicle
 - (ii) any vehicle as a tool of trade
 - (iii) a trailer which is not attached to nor has accidentally become detached from a motor vehicle
 - (b) arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any vehicle
 - (c) for damage to any bridge, weighbridge, road or anything beneath caused by the weight of any vehicle or of the load carried thereon
 - (d) arising out of any vehicle temporarily in the insured's custody or control for the purpose of parking
 - (e) arising out of the possession or use by the insured of any vehicle belonging to any rail service provider or any government or quasi-government department, provincial administration, municipality or similar body whilst on any premises permanently occupied by the insured
 - (f) which form the subject of extensions covering employers liability
 - (g) arising out of damage to premises occupied (but not owned) by the insured
2. liability which is the subject of statutory or similar legislation controlling the possession or use of motor vehicles or trailers and in respect of which liability:-
 - (a) the insured is compelled to effect insurance or otherwise furnish security, or
 - (b) the state or other governmental authority has accepted responsibility
3. the ownership possession or use by or on behalf of the insured of any aircraft watercraft or hovercraft (other than watercraft not exceeding five metres in length and then only whilst on inland waterways)
4. damage to property owned leased or hired by or under hire purchase or on loan to the insured or otherwise in the insured's care, custody or control other than:
 - (a) premises (or the contents thereof) temporarily occupied by the insured for work therein or other property temporarily in the insured's possession for work thereon (but no indemnity is granted for damage to the part of the property on which the insured is working and which arises out of such work)
 - (b) employees' and visitors' clothing and personal effects
 - (c) premises tenanted by the insured to the extent that the insured would be held liable in the absence of any specific agreement
 - (d) property belonging to any rail service provider or any government or quasi-government department, provincial administration, municipality or similar body whilst on any premises permanently occupied by the insured
5. the ownership, hire, leasing or operation of any airport, airstrip or helicopter pad by or on behalf of the insured other than airstrips and helicopter pads which are not equipped with control tower operation.

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Sub-section B - Pollution liability

Sub-section B - Indemnity

The insured is indemnified by this sub-section against claims for injury or damage arising out of pollution but only to the extent that it can be proved that such pollution

1. was the direct result of a sudden specific and indemnifiable event occurring during the period of insurance
2. was not the direct result of the insured failing to take reasonable precautions to prevent such pollution.

Sub-section B - Exclusions

This sub-section is subject to the exclusions to sub-section A insofar as they can apply, and also does not cover liability for claims arising out of or in connection with any product.

Sub-section C - Products liability/Defective workmanship

Sub-section C - Indemnity

The insured is indemnified by this sub-section against claims for injury or damage arising out of or in connection with any product or pollution resulting therefrom subject always to the provisions of sub-section B - indemnity.

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

Sub-section C - Exclusions

This sub-section does not cover liability for claims;

1. for costs incurred in the repair, reconditioning, modification or replacement of any product or part thereof which is or is alleged to be defective
2. for costs arising out of the recall of any product of any part thereof
3. arising out of the failure of any product or part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed unless such failure shall result in injury and/or damage
4. arising out of any product which with the insured's knowledge is intended for incorporation into the structure, machinery or controls of any aircraft
5. arising out of negligent advice in respect of defective workmanship
6. for the cost of rectifying or recalling defective work
7. arising from inefficacy of such work or because the work did not produce the result anticipated or claimed
8. arising prior to the handing over of such work
9. arising from any work on any aircraft or part thereof.

Sub-section D - Negligent advice

Sub-section D - Indemnity

The insured is indemnified by this sub-section in respect of claims arising out of negligent advice.

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

Sub-section D - Exclusions

This sub-section does not cover liability for claims arising out of:

1. negligent advice given in respect of any product unless the insured shall have effected cover under sub-section C of this policy
2. financial services and/or cost estimates given by or on behalf of the insured

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3. the insolvency of the insured
4. defamation or injuria.

Specific exceptions (applicable to all sub-sections and extensions of this section)

This section does not cover liability:

1. for any claims where the insured was aware, before inception of this policy, of the circumstances or event which gave rise to the claim
2. occurring prior to the applicable retroactive date stated in the schedule
3. arising out of the deliberate, conscious or intentional disregard by the insured's technical or administrative management of the need to take all reasonable steps to prevent claims
4. arising out of injury to any persons under a contract of employment or apprenticeship with the insured where such injury arises out of the execution of such contract except to the extent and where the insured has elected to purchase employers liability
5. arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that it can be proved that liability would have attached in the absence of such clauses or warranties
6. for the applicable first amount payable in respect of each claim or series of claims arising out of one originating cause. The provisions of this clause shall apply to claims arising from damage only and shall also apply to defence costs incurred by the insured.
7. which forms the subject of insurance by any other policy or policies and this policy shall not be drawn into contribution with such other insurance
8. for any claims arising out of any design, formula (other than design or formula of a product), specification or advice of a professional nature given by or on behalf of the Insured in exchange for a fee.
9. for claims arising out of or which may arise out of or in connection with magnetic and/or electrical fields.
10. arising out of any wrongful act committed by any director and/or officer of the insured

For the purposes of this insurance "wrongful act" shall mean any actual or alleged breach of duty, breach of trust, neglect, error, omission, misstatement, misleading statement, mistreatment, breach of fiduciary obligation, libel, slander, wrongful trading, breach of warranty of authority or other legal liability on the part of any director or officer, jointly or severally, which arises solely by reason of the conduct of their duties or their capacity as directors and officers.

War and terrorism exclusion

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

Notwithstanding any provision to the contrary within this policy or any endorsement thereto it is agreed that this policy excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism,

For the purpose of this exclusion an act of terrorism means – an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization (or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This specific exception also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the company alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the insured.

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In the event of any portion of this exception is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Specific insurances exclusion

The indemnity provided by this policy does not cover liability for claims arising out of dishonesty of the directors, principals or employees of the insured or theft or fraud by any other person, nor does this policy provide indemnity for any liability arising out of the activities of operations domiciled in the United States of America or Canada.

Specific conditions

(Conditions 1 to 5 are precedent to the company's liability to provide indemnity under this policy)

1. The insured shall give written notice to the company as set out in general condition 6, but in any event no later than the last day of the period of insurance, of any claim made against the insured (or any specific event or circumstance that may give rise to a claim being made against the insured) and which forms the subject of indemnity under this policy and shall give all such additional information as the company may require. Every claim, writ, summons or process and all documents relating to the claim event or circumstance shall be forwarded to the company immediately they are received by the insured.
2. Notwithstanding specific condition 1, in the event of cancellation or non-renewal of the policy, the insured may report an event in terms of general condition 6 to the company for up to 15 days after cancellation or non-renewal, provided
 - (a) such event occurred subsequent to the retroactive date and prior to the termination of the period of insurance
 - (b) any subsequent claim first made in writing against the insured as a result of such event shall be treated as if it has first been made on the last day preceding cancellation or non-renewal
 - (c) no insurance in substitution hereof has been purchased by or on behalf of the insured.
3. No admission offer promise or payment shall be made or given by or on behalf of the insured without the written consent of the company which shall be entitled to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute in the name of the insured for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the insured shall give all such information and assistance as the company may reasonably require.
4. The insured shall give notice as soon as reasonably practicable of any fact, event or circumstance which materially changes the information supplied to the company at the time when this policy was effected, and company may amend the terms of this policy according to the materiality of such change.
5. The company may at any time pay to the insured in connection with any claim or series of claims under this policy to which an indemnity limit applies the amount of such limit (after deduction of any sums already paid) or any lesser amount for which such claims can be settled and upon such payment being made the company shall relinquish the conduct and control of and be under no further liability in connection with such claims.
6. The interpretation of the terms and exceptions of this policy (and any phrase or word contained therein) shall be interpreted in accordance with the law of the Republic of South Africa.
7. Where the premium is provisionally based on the insured's estimates, the insured shall keep accurate records and after expiry of the period of insurance declare as soon as possible such details as company require. The premium shall then be adjusted and any difference paid by or allowed to the insured as the case may be subject to any minimum premium that may apply.

Extensions (Applicable only to the extent indicated in the schedule)

It is understood and agreed that this policy extends to include the following, subject to the limits and first amounts payable specified in the schedule and subject to the terms, conditions and exceptions of the policy insofar as they can apply and provided that the total liability of the company is not increased beyond that which would have applied in the absence of such extensions.

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Statutory defence costs

The company will indemnify the insured against legal costs, fees and expenses incurred with the consent of the company in the defence of any criminal action brought against the insured as a result of the alleged contravention of any statute governing the conduct of the business [other than any statutes governing the ownership, possession, use or licensing of motor vehicles, aircraft or watercraft, the relevant Labour Laws as promulgated in the Republic of South Africa from time to time, or the Companies Act No. 71 of 2008 (as amended from time to time)] and as read in conjunction with the Criminal Procedure Act No. 56 of 1955 (as amended from time to time)

Provided always that:-

1. no indemnity shall be granted for fines or penalties
2. in the case of an appeal, the company shall not indemnify the insured unless a senior counsel (to be agreed to by the company) shall advise that such appeal should be likely to succeed.
3. the amount payable under this extension, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with the company's consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

Wrongful arrest

The company will indemnify the insured in respect of claims arising out of wrongful arrest (as hereinafter defined) committed or alleged (other than by the insured) to have been committed by the insured in the course of the business

Provided always that:-

1. for the purposes of this extension, the terms "wrongful arrest" shall mean:-
 - (a) assault and battery committed or alleged to have been committed at the time of making or attempting to make an arrest or in resisting an overt attempt to escape by a person under arrest before such person has been or could be placed in the custody of the police or a law enforcement officer
 - (b) defamation, injuria, false imprisonment or malicious prosecution either committed or alleged to have been committed directly in connection with an arrest or arising out of the investigation of acts of shoplifting or theft
2. no indemnity shall be granted in respect of claims:-
 - (a) made against the insured by any person or persons other than those being or having been or alleged to have been arrested or under arrest, or their personal representatives
 - (b) arising out of unfair labour practice as contemplated within the meaning of the relevant Labour Laws as promulgated in the Republic of South Africa from time to time.
3. the amount payable under this extension, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with the company's consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

Defamation

The company will indemnify the insured in respect of claims arising out of defamatory statements, whether written or verbal, made by the insured

Provided always that:-

1. no indemnity shall be granted in respect of claims:-
 - (a) which form the subject of the wrongful arrest extension
 - (b) arising out of any publication in any journal, magazine or newspaper or on radio or television
2. the amount payable under this extension, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with the company's

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consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

Employers liability

Notwithstanding anything to the contrary contained in specific exception 4, this policy extends to include the insured's legal liability for claims arising out of injury to any person employed under a contract of service or apprenticeship with the insured where such injury arises out of and in the course of the execution of such contract

Provided always that there is no cover provided in respect of:-

1. liability for claims arising from illness or disease or contributed to by prolonged exposure to substances, factors or circumstances peculiar to any particular employment or occupation;
2. amounts recoverable under any Act in terms of which any employee may claim compensation for work related injuries;
3. liability assumed by the insured by agreement unless such liability would have attached to the Insured in the absence of such agreement.

The company will also at the request of the insured indemnify any employee of the insured subject to the agreement of the company (which agreement shall not be unreasonably withheld) in respect of claims made by one employee against another provided always that:

1. such injury arises solely during and in the course of his/her employment
2. no indemnity shall be provided hereunder where such injury is caused whilst the employee is under the influence of intoxicating drugs or alcohol
3. no indemnity shall be provided hereunder for injury resulting from use of firearms
4. no indemnity shall be provided for liability arising out of any condition directly or indirectly caused by or associated with Human Immune Virus (HIV) or the mutant derivatives or variations thereof or in any way related to Acquired Immune Deficiency Syndrome or any Syndrome or condition of a similar kind howsoever it shall be named

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

Extended Reporting Option (May be exercised by the insured in the event of non-renewal)

In the event of non renewal of this section of this policy, at the option of the insured, any claim first made against the insured arising from any claim or circumstance of which notice is required to be given in terms of specific condition 1, the company agrees that notice given within 36 months (hereinafter referred to as the extended reporting period) immediately following the expiry of this insurance shall be deemed to have been made on the last day preceding the expiry.

Provided that:

1. this option may only be exercised in the event of the company cancelling or refusing to renew this policy;
2. the insured has not obtained insurance equal in scope and cover to this policy as expiring providing indemnity in respect of such claim;
3. the company shall only be liable for an insured event which occurred after the retroactive date but prior to the expiry of the period of insurance;
4. if the claimant is a minor this extended reporting period will continue until the expiry of 12 months after the attainment of majority by the claimant;
5. the total amount payable by the company for claims made or reported events during the extended reporting period shall not have the effect of increasing the indemnity limit applicable on the last day preceding the non renewal;

Broadform Public Liability

6. this option must be exercised by the insured in writing within 15 days of cancellation or non-renewal and the required premium paid within 30 days of demand;
7. once exercised, the option cannot be cancelled by either the insured or the company.

African Territories

In respect the insured's operations in Africa outside of the Republic of South Africa, the indemnity provided by this section is limited to the difference between the scope of cover or the difference between the limit of indemnity provided by any insurer in the territory in which the operation is situated and the indemnity available in terms of this section.

Where this section responds in excess of indemnity provided in terms of such locally purchased liability insurance:-

1. the indemnity payable hereunder shall be only up to but not exceeding such further amount as would provide the maximum indemnity in terms of this section;
2. any decision of the underlying insurer to accept a claim "ex gratia" or "without prejudice" shall not be binding on the company;
3. no action or decision of the underlying insurer which prejudices the company in the conduct or settlement of any claim under this section shall be binding on the company.

If no insurance of the class insured in terms of this section is purchased locally, this section shall act as primary insurance subject to the first amount payable stipulated in the schedule provided that such cover will only apply:

1. to claims made against the insured during the period of Insurance; and
2. in respect of liability arising from any Injury, damage or event giving rise to pure financial loss (as provided for in coverage's providing for loss not related to physical damage to property) occurring or alleged to have occurred on or after the applicable retroactive date stated in the schedule.

Buildings Combined

Defined events

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

Sub-section A Property

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow other than
 - (a) that arising from its undergoing any process necessarily involving the use or application of water
 - (b) wear and tear or gradual deterioration
 - (c) loss or damage
 - (i) to retaining walls
 - (ii) caused or aggravated by
 - subsidence or landslip
 - the insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage.
3. Earthquake.
4. Aircraft and other aerial devices or articles dropped therefrom.
5. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes, vehicles or property in or on such vehicles.
6. Theft (or any attempt thereat) accompanied by forcible and violent entry into or exit from such building. If any building insured or containing the insured property becomes unoccupied for 30 consecutive days, this item is suspended as regards the property affected unless the insured before the occurrence of damage obtains the written agreement of the company to continue this insurance. During the period of the initial unoccupancy of 30 consecutive days the insured shall become a co-insurer with the company and shall bear a rateable proportion of any damage equal to 20% of the claim with a maximum of R5 000 000 before deduction of any first amount payable
7. Accidental damage to sanitaryware, but the amount payable will be reduced by R300 for each and every such damage.

Specific condition (not applicable to 7 above)

Average

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

Sub-section B Public supply connections

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

Buildings Combined

Sub-section C Rent

Loss of Rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding 25% of the sum insured applicable to buildings, plant and machinery. The basis of calculation shall be the rent payable by the insured as lessee of the buildings, plant and machinery immediately preceding the damage or if the insured are not the lessee of the buildings, plant and machinery, the rental equivalent they should have received as lessor for leasing all the buildings, plant and machinery to a single legal entity.

Sub-section D Liability

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

The limit of indemnity

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

Specific exceptions (applicable to sub-section D)

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

1. injury or damage sustained by
 - (a) any member of the same household as the insured
 - (b) any person employed by the insured under a contract of service or apprenticeship and arising directly from and in the course of such employment by the insured
 - (c) any other person resulting from the ownership of or use by or on behalf of the insured of mechanically propelled vehicles (except pedal cycles and lawnmowers)
2. damage to property
 - (a) (i) belonging to the insured
 - (ii) in the custody or control of the insured or any employee of the insured
 - (b) caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure
3. liability assumed by agreement unless liability would have attached to the insured notwithstanding such agreement
4. (a) liability in respect of injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence
- (b) the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence

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

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

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Memoranda to sub-section D

1. Where more than one insured is named in the schedule, the company will indemnify each insured separately and not jointly and any liability arising between such insureds shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the company shall not exceed the limit of indemnity stated in the schedule.
2. Provided that the aggregate liability of the company is not increased beyond the limit of indemnity stated, the company will also indemnify as though a separate policy had been issued to each
 - (a) in the event of the death of the insured, any personal representative of the insured in respect of liability incurred by the insured
 - (b) any partner or director or member or employee of the insured (if the insured so requests) against any claim for which the insured is entitled to indemnity under this insurance.
3. In respect of this sub-section only, General exception 1 is deleted and replaced by the following:

This sub-section does not cover injury, damage or liability directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.
4. If, at the time of any event giving rise to a claim under this sub-section, indemnity is also provided under any other insurance, this sub-section shall not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.

Clauses and extensions

Subsidence and landslip extension to sub-section A (if stated in the schedule to be included)

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

8. Damage caused by subsidence or landslip
provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1 per cent of the sum insured on the property at the affected location with a maximum of R50 000.
For the purposes hereof, any damage insured shall be deemed to have been caused by fire provided that this extension does not cover:
 - 8.1 damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured
 - 8.2 damage caused by or attributable to
 - (a) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
 - (b) workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises
 - (c) excavation on or under land other than excavations in the course of mining operations
 - 8.3 consequential loss of any kind whatsoever except loss of rent.

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

Prevention of access extension to sub-section C (if stated in the schedule to be included)

If property within a 15 km radius of the premises stated in the schedule is lost or damaged by a peril defined in sub-section A during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, the company will pay any loss of rent the insured may incur as a result thereof up to an amount not exceeding 25 per cent of the sum insured on the affected property. The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.

Security firms (applicable to sub-section D - Liability)

Notwithstanding specific exception 3, if, in terms of a contract with a security firm engaged in the course of the insured's business (as owner of the premises specified in the schedule) to protect the insured's property at the

Buildings Combined

premises stated in the schedule, the insured becomes legally liable for the acts or omissions of the employees of the security firm in the course of their employment at these premises, then this sub-section includes such legal liability to the extent that indemnity would have been granted under this sub-section had the said employees been under a contract of service to the insured and not the security firm, but not exceeding the limit of liability stated in the schedule for this sub-section.

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

Architects' and other professional fees clause

The insurance under sub-section A includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 20 per cent of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property for an amount not exceeding 20 per cent of the sum insured thereon, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Cost of demolition and clearing and erection of hoardings clause

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

The company will not pay for any costs or expenses

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

Fire extinguishing charges clause

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

Mortgagee clause

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

Municipal plans scrutiny fee clause

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

Public authorities' requirements clause

The insurance under this section includes such additional cost of repairing or rebuilding the damaged property incurred solely by reason of the necessity to comply with building or other regulations under, or framed in

Buildings Combined

pursuance of, any act of Parliament or ordinance of any provincial, municipal or other local authority, provided that

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

Railway and other subrogation clause

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

Reinstatement value conditions

In the event of the property being damaged, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the insured property when new, provided that

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

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Temporary removal clause

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

Tenants clause

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

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

During each period of insurance, the sum(s) insured under sub-section A of this section shall be increased by that portion of the percentage specified in the schedule which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the sum(s) insured in force at the commencement of the period of insurance.

At each renewal date, the insured shall notify the company of the sum(s) to be insured for the forthcoming period of insurance and the percentage increase required for such period. In default thereof, the provisions of this clause shall cease to apply.

The additional premium for this extension shall be 50% of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

Malicious damage extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained herein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage other than loss or damage to

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

provided that this extension does not cover

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

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

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

During the period of the initial unoccupancy of 30 consecutive days the insured shall become a co-insurer with the company and shall bear a proportion of any damage equal to 20% of the claim with a maximum of R5 000 000 before deduction of any first amount payable

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

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

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

provided that this extension does not cover:

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

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

Business All Risks

Defined events

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

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

Specific exceptions

The company shall not be liable for

1. loss of or damage to property resulting from or caused by
 - (a) theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit.
If the insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence shall be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of the cab or boot of the vehicle;
 - (b) its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration;
 - (c) inherent vice or defect, vermin, insects, damp, mildew or rust;
 - (d) the dishonesty of any principal, partner, director or employee of the insured whether acting alone or in collusion with others;
 - (e) detention, confiscation or requisition by customs or other officials or authorities;
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
4. loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
5. loss of or damage to goods consigned under a bill of lading.

Specific conditions

Average

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

Replacement value condition (if stated in the schedule to be included)

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

or

the repair of the property to a condition substantially the same as, but not better than, its condition when new provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the property had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the commencement of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

Business All Risks

Specific extensions

Increase in cost of working extension (if stated in the schedule to be included)

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

Non-forcible and violent entry into vehicle extension (if stated in the schedule to be included)

Specific exception 1(a) shall not apply to goods in the cab or boot of the vehicle where the insured maintains that the vehicle was locked but no evidence of forcible and violent entry or exit from the vehicle exists, provided that:

1. the police case number is supplied to the company;
2. this extension shall only apply to property that is separately and individually specified in the schedule;
3. after the deduction of the first amounts payable specified in the schedule, the liability of the company is further restricted to the lesser of 50% of the claim or R10,000 in respect of any one event.

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

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

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

provided that this extension does not cover

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

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

Business Interruption

Defined events

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

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

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

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

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

Specific conditions

1. The insurance under this section shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the company.
2. On the happening of any Damage in consequence of which a claim may be made under this section, the insured shall, in addition to complying with general conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the indemnity period, or within such further time as the company may in writing allow, at their own expense deliver to the company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under this section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the company forthwith.

Item 1 Gross profit (difference basis)

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

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

and the amount payable as indemnity hereunder shall be

- (a) **in respect of reduction in turnover** the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the Damage, fall short of the standard turnover
- (b) **in respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

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

Business Interruption

Item 1 Gross profit (additions basis)

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

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

and the amount payable as indemnity hereunder shall be

- (a) **in respect of reduction in turnover** the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the Damage, fall short of the standard turnover
- (b) **in respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

less any sum saved during the indemnity period in respect of such of the insured standing charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

Memo

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

Item 2 Gross rentals

The insurance under this item is limited to

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

and the amount payable as indemnity hereunder shall be

- (a) **in respect of loss of gross rentals** the amount by which the gross rentals during the indemnity period shall in consequence of the Damage fall short of the standard gross rentals
- (b) **in respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of gross rentals which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the amount of the loss of gross rentals thereby avoided

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

Item 3 Revenue

The insurance under this item is limited to

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

and the amount payable as indemnity hereunder shall be

- (a) **in respect of loss of revenue** the amount by which the revenue during the indemnity period shall, in consequence of the Damage, fall short of the standard revenue

Business Interruption

(b) **in respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of revenue which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the amount of loss of revenue thereby avoided

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

Item 4 Additional increase in cost of working

The insurance under this item is limited to reasonable additional expenditure (not recoverable under other items) incurred with the consent of the company during the indemnity period in consequence of the Damage for the purpose of maintaining the normal operation of the business.

Item 5 Wages (number of weeks basis)

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

The amount payable as indemnity under this item will be the actual amount which the insured shall pay as wages for such period to employees whose services cannot, in consequence of the Damage, be utilised by the insured at all and an equitable part of the wages paid for such period to employees whose services cannot, in consequence of the Damage, be utilised by the insured to the full

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

Item 6 Fines and penalties for breach of contract

The insurance under this item is limited to fines or penalties for breach of contract and the amount payable as indemnity hereunder shall be such sum as the insured shall be legally liable to pay and shall pay in discharge of fines or penalties incurred solely in consequence of Damage for non-completion or late completion of orders.

Definitions

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

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

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

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

Gross profit (difference basis) The amount by which

(1) the sum of the turnover and the amount of the closing stock shall exceed

(2) the sum of the amount of the opening stock and the amount of the uninsured costs.

The amount of the opening and closing stocks shall be arrived at in accordance with the insured's normal accountancy methods, due provision being made for depreciation.

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

Business Interruption

Gross profit (additions basis) The sum produced by adding to the net profit the amount of the insured standing charges or, if there is no net profit, the amount of the insured standing charges less such proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.

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

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

Standard turnover

Standard revenue

Standard gross rentals The turnover (revenue) (gross rentals) during that period in the 12 months immediately before the date of the Damage which corresponds with the indemnity period

Annual turnover

Annual revenue

Annual gross rentals The turnover (revenue) (gross rentals) during the 12 months immediately before the date of the Damage

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

to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

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

Memo

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

Extensions and clauses

Accountants clause

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

Accumulated stocks clause

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover or revenue due to the Damage is postponed by reason of the turnover or revenue being temporarily maintained from accumulated stocks.

Departmental clause

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under items 1 (Gross profit), 2 (Gross rentals) or 3 (Revenue) relating to reduction in turnover/gross rentals/revenue and increase in cost of working, shall apply separately to each department or branch affected by the Damage, except that if the sum insured by the relative item is less than the aggregate of the (annual gross rentals) (annual revenue) (sums produced by applying the rate of gross profit) for each

Business Interruption

department or branch, whether or not affected by the Damage, (to the relative annual turnover thereof) (proportionately increased if the number of months referred to in the definition of indemnity period exceeds 12), the amount payable shall be proportionately reduced.

Deposit premium clause

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

In the event of the gross profit/gross rentals/revenue earned (increased proportionately if the number of months referred to in the definition of indemnity period exceeds twelve) during the financial year most nearly concurrent with any period of insurance being less or greater than 75 per cent of the sum insured thereon, a pro rata return or additional premium not exceeding 33½ per cent of the provisional premium paid for such period of insurance will be made in respect of the difference.

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

Output (alternative basis) clause

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

provided that

- (a) only the meaning of output or the meaning of turnover shall be operative in connection with any one event resulting in interruption
- (b) if the meaning of output be used
 - (i) the accumulated stocks clause shall be inoperative
 - (ii) the memo at the end of the definitions shall read

If, during the indemnity period, goods shall be manufactured or processed other than at the premises for the benefit of the business either by the insured or by others on behalf of the insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the indemnity period.

Salvage sale clause

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

- (a) **in respect of reduction in turnover** the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period (less the turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the standard turnover, from which sum shall be deducted the gross profit actually earned during the period of the salvage sale.

Extensions to other premises

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

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

The premises of the suppliers and sub-contractors specified in the schedule. The amount payable under this extension in respect of each item (other than Claims preparation costs) is limited to 90% of the stated limits for the particular item.

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

The premises of any other of the insured's suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any public supply undertaking from which the insured obtains electricity, gas or water.

The amount payable under this extension in respect of each item (other than Claims preparation costs) is limited to 90% of the stated limit for the particular item and in total R150 000 000.

Business Interruption

(c) Storage, transit and vehicle

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

(d) Contract sites

Any situation not occupied by the insured where the insured is carrying out a contract

(e) Prevention of access

Property within a 15 km radius of the insured's premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not.

The amount payable under this extension in respect of each item (other than Claims preparation costs) is limited to 90% of the sum insured for the particular item and in total R300 000 000.

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

Property within a 15 km radius of the premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not.

The amount payable under this extension in respect of each item (other than Claims preparation costs) is limited to 90% of the sum insured for the particular item and in total R300 000 000.

For the purpose of this extension "insured premises" shall mean:

Specified suppliers/Sub-contractors premises stated in the schedule as being insured by extension (a);

Unspecified suppliers premises but only if extension (b) is stated as being included in the schedule;

Property of the insured in storage as insured by extension (c);

Contract sites as insured by extension (d);

Additional premises as insured by extension (g);

Customers premises stated in the schedule as being insured by extension (h);

Public Utilities premises as stated in extension (i) but only if extension (i) or the Public utilities extended cover extension is stated as being included in the schedule;

Public Telecommunications premises as stated in extension (j) but only if extension (j) or the Public telecommunications extended cover extension is stated as being included in the schedule.

(g) Additional premises

In the event of the insured occupying or having property at any newly added premises for the purpose of the business during the currency of this section, such newly added premises shall be deemed to be included in those specified here subject to notification to the company as soon as reasonably practicable and to adjustment of the premium if necessary.

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

The premises of the customers specified in the schedule. The amount payable under this extension in respect of each item (other than Claims preparation costs) is limited to 90% of the stated limits for the particular item.

(i) Public utilities - insured perils only (if stated in the schedule to be included)

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines of an authority empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to the premises of the insured.

The amount payable under this extension in respect of each item (other than Claims preparation costs) is limited to 90% of the sum insured for the particular item.

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

(i) Property at the premises of any public authority which is empowered by law to supply a telecommunications facility to the insured

(ii) the transmission facilities network of the public authority mentioned in (i).

Business Interruption

The amount payable under this extension in respect of each item (other than Claims preparation costs) is limited to 90% of the sum insured for the particular item.

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

Loss as insured resulting from interruption of or interference with the business in consequence of the failure of the public telecommunication facilities to the premises of the insured shall be deemed to have resulted from Damage (as defined herein) provided this extension does not cover loss resulting from damage directly or indirectly caused by:

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

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

The amount payable under this extension in respect of each item (other than Claims preparation costs) is limited to 90% of the sum insured for the particular item and in total R75 000 000.

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

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

- (i) drought
- (ii) pollution of water
- (iii) shortage of fuel or water
- (iv) a fault on any part of the installation belonging to the premises
- (v) the exercise of an authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority
- (vi) any event described in General exception 1 and 2, but cover provided by the Malicious damage extension in the underlying material damage section of this policy is not excluded.

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

The amount payable under this extension in respect of each item (other than Claims preparation costs) is limited to 90% of the sum insured for the particular item and in total R75 000 000.

The geographical limits of

(b), (c), (d), (e), (f), (h), (i) and (j) of the extensions to other premises and the extended covers for public telecommunications and public utilities are confined to the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

(g) of the extensions to other premises is confined to the Republic of South Africa and Namibia.

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

The following defined event is added:

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

Business Interruption

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

Deterioration of Stock (Machinery Breakdown)

Defined events

This insurance is in respect of:

- 1. Fortuitous damage to the products and/or coldroom(s) insured**
- 2. Increase in the cost of working**

and the amount payable as indemnity there under shall be:

(i) In respect of fortuitous damage to the products and/or coldroom(s) insured:

The value of the insured products and/or coldroom(s) affected as a direct consequence of the damage but not exceeding the limit of indemnity stated in the schedule

(ii) In respect of increase in the cost of working:

The additional expenditure necessarily and reasonably incurred as a direct consequence of the damage (including costs incurred in obtaining alternative storage facilities for the insured products) wholly and exclusively incurred for the purpose of preventing or minimising damage to the insured products but not exceeding the amount that would otherwise have been indemnifiable under clause (i) above

Provided always that:

- (a) other than in the case of the accidental escape of refrigerant damage shall cause a fluctuation in temperature in the coldroom(s)
- (b) the company shall have the benefit of any saving in expenditure as a result of the damage.

Definitions

1. Damage

- A. Unforeseen and sudden physical damage to the machinery described in the schedule of this section from any cause provided for under Machinery breakdown section issued by the company's liability under which section shall except for the provision of the specific exception relating to the deductible amount be a condition precedent to liability hereunder
- B. Failure of the public supply of electricity at the terminal ends of the supply authority's service feeders in the insured's premises from any accidental cause other than:
 - (i) the deliberate act of the insured or any supply authority
 - (ii) drought or shortage of fuel at any power station

If stated in the schedule to be included

- C. Damage to the insured products (contained in the coldrooms and/or the insured coldroom(s)) caused as a direct result of the accidental escape of refrigerant following unforeseen and sudden physical damage to the refrigeration machinery described in the schedule of this section.

If stated in the schedule to be included

2. Coldroom

The term "coldroom" shall be deemed to include "refrigeration chamber".

3. Damage

Except in clause "A" of the definition the word "damage" wherever it appears in this section shall mean:

- (a) in respect of the insured products
"destruction or impairment in value of the insured products by deterioration or contamination or putrefaction or spoilage"
- (b) in respect of the insured coldroom(s)
"contamination by refrigerant necessitating the evacuation of the coldroom(s)".

If stated in the schedule to be included

Deterioration of Stock (Machinery Breakdown)

4. Value

The word "value" wherever used in this section shall mean:

In respect of the insured products

(a) "The actual purchase price paid by the insured to his supplier for the insured products or that part thereof affected by damage"

or

(b) "The actual purchase price paid by the insured to his supplier for the insured products or that part thereof affected by damage to which is added the processing costs of such insured products prior to being placed in the coldroom(s)"

or

(c) "The selling price of the insured products or that part thereof affected by damage"

In respect of insured coldroom(s)

"The current day replacement cost of the coldroom(s)"

Whichever stated in the schedule to be applicable.

Specific exceptions

The company shall not indemnify the insured in respect of:

1. The amount of the deductible stated in the schedule
2. Damage to insured products not contained in insured coldroom(s) at the time of such damage
3. Consequential loss damage or liability arising out of the damage to the insured products and/or coldroom(s)
4. Damage to the insured products and/or coldroom(s) caused by bruising rodents pests or natural deterioration disease or vice.

Special memoranda

Memo 1:

In the event of damage to the insured products:

- (a) where such damage necessitates destruction of the insured products a certificate of condemnation must be obtained by the insured from the appropriate local authority for such goods to be destroyed
- (b) in cases where damage is alleged to have impaired the value of the insured products reasonable proof of impairment of value must be submitted by the insured in respect of such insured products
- (c) where the insured has incurred an increase in the cost of working so as to prevent or minimise damage to the insured products reasonable proof of the necessity for incurring such costs must be furnished by the insured.

Memo 2:

The machinery described in the schedule of this section shall be subject to regular and adequate maintenance processes undertaken by suitably qualified members of the insured's own staff or in terms of a maintenance contract with specialist maintenance engineers.

Memo 3:

The controlling switchgear of the refrigeration machinery described in the schedule of this section shall incorporate apparatus for automatic restarting following a failure of the public supply of electricity.

Memo 4:

The premium charged under this section shall be provisional and adjusted on the expiry of each period of insurance in accordance with the provisions of memorandum 5 hereunder.

Deterioration of Stock (Machinery Breakdown)

Memo 5:

On the expiry of each period of insurance the insured shall make the following declaration to the company:

(i) the average monthly value of the insured products contained in coldroom(s). The provisional premium shall be adjusted at the rates agreed between the insured and the company and an additional or refund premium charged or allowed to the insured

or

(ii) the maximum value of the insured products contained in coldroom(s) at any one time during the period of insurance. The provisional premium charged shall be adjusted at the rates agreed between the insured and the company and an additional or refund premium charged or allowed to the insured

(iii) (a) the estimated value at risk for the forthcoming period of insurance in accordance with the provisions of (i) above

(b) the replacement cost of the coldroom(s).

Directors and Officers Liability

Defined events

Wrongful acts as hereinafter provided for in the elected insuring agreements and extensions which occur on or after the retroactive date stated in the schedule and which result in claims first made during the period of insurance.

The company agrees to indemnify:

Insuring agreement A – Directors' and officers' individual cover

the insured persons against loss arising out of any claim made against them jointly or severally on account of any wrongful act committed or alleged to have been committed by them.

Insuring agreement B – Insured company reimbursement cover

the insured company for amounts paid by the insured company to indemnify insured persons for any claim but only to the extent that the insured company is contractually or legally permitted to do so.

Definitions

Claim

Claim means

- (a) a written demand, or
- (b) a civil proceeding including third party proceeding, counterclaim, or arbitration proceeding, commenced by the service of a writ, summons, or similar proceeding, or
- (e) a criminal proceeding commenced by the lodging of an indictment or similar process, or
- (d) a formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document, or
- (e) an arbitration proceeding for a wrongful act, including any appeal therefrom.

Defence costs

Defence costs means that part of any loss consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the insured company) incurred in defending or investigating claims.

Defence costs shall also include premium paid for insurance policies or bonds which may be required in order to institute an appeal or incurred in appealing any adverse judgment provided that a senior counsel selected by the company shall be of the opinion that such an appeal should be likely to succeed.

Employment related wrongful act

Employment related wrongful act means any act giving rise to a claim or series of related claims relating to a past present or prospective employee of the insured and arising out of any actual or alleged unfair or wrongful dismissal, discharge or termination, either actual or constructive, of employment, employment-related misrepresentation, wrongful failure to employ or promote, wrongful deprivation of career opportunities, wrongful discipline; failure to furnish accurate job references; failure to grant tenure or negligent employee evaluation; or sexual or workplace or racial or disability harassment of any kind (including the alleged creation of a harassing workplace environment); or unlawful discrimination, whether direct, indirect, intentional or unintentional, or failure to provide adequate employee policies and procedures.

Executive officer

Executive officer means the chairperson, chief executive officer, managing director, chief financial officer or in-house general counsel of the insured company.

Directors and Officers Liability

Insured

Insured either in the singular or plural, means the insured persons and solely in respect of insuring agreement B (if insured), the insured company.

Insured company

Insured company means the company or organisation named in the schedule including its subsidiaries named in the schedule.

Insured person(s)

Insured person(s) means

- (a) any natural person who has been, is or shall become duly elected or appointed director or officer of the insured company; and
- (b) an employee of the insured company but only to the extent that such employee is
 - (i) acting in a managerial or supervisory capacity
 - (ii) acting as the insured company's company secretary
 - (iii) is named as co-defendant with a director or officer with respect to any claim.

Insured person does not include external auditors appointed by the insured.

Insolvency

Insolvency means the status of the insured company resulting from the appointment by any government official, agency, bank pursuant to a fixed or floating charge, or court of any receiver, conservator, liquidator, administrator, trustee, rehabilitator or equivalent to take control of, supervise, manage, liquidate or administer such Insured.

Interrelated wrongful acts

Interrelated wrongful acts means all wrongful acts that have as a common nexus any fact, circumstances, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

Loss

Loss means the amount which the insured becomes legally obligated to pay on account of each claim and for all claims in the period of insurance and the discovery period, if exercised, made against them for wrongful acts for which cover applies, including, but not limited to, damages, judgments, settlements and defence costs including adverse court cost orders or company sanctioned agreement to pay legal costs.

Loss does not include:

- (a) any amount for which the insured is absolved from payment;
- (b) taxes, fines or penalties imposed by law;
- (c) the multiple portion of any multiplied damage award or punitive or exemplary damages incurred by the insured; or
- (d) matters deemed uninsurable under law;

provided this definition does not exclude punitive or exemplary damages incurred by the insured to the extent such damages are insurable under applicable law.

Non-profit entity

Non-profit entity means any non-profit corporation, community chest, fund or foundation that is

Directors and Officers Liability

- (a) not included in the definition of insured;
- (b) envisaged in schedule 1 of the Companies Act No. 71 of 2008 as amended.

Officer

Officer is extended to include any natural person who is employed by the insured in a managerial or supervisory position.

Outside entity

Outside entity means an entity which is not within the definition of the insured company and

- (a) in which the insured company holds any issued share; or
- (b) which is a tax exempt non-profit entity, trade association or registered charity.

Period of insurance

Period of insurance means the period stated in the schedule, subject to prior termination in accordance with specific condition 14.

Section

Section means the proposal form, this section form, the schedule and any endorsements hereto.

Pollutants

Pollutants means any substance exhibiting any hazardous characteristics as defined by or identified by the Hazardous Substances Act 1973. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials.

Pollutants shall also mean any other air emission, odour, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products, electric or magnetic or electromagnetic field and noise.

Proposal

Proposal means all signed proposals, including attachments and materials submitted therewith, for this section or for any policy of which this section is a renewal or replacement. All such proposals, attachments and materials are deemed attached to and incorporated into this section.

Security(ies)

Security(ies) means any shares in the capital of a company and includes stock and debentures convertible into shares and any rights or interests in a company or in respect of any such shares, stock or debentures.

Subsidiary

Subsidiary means any organisation in which the insured company either directly or indirectly through one or more of its subsidiaries

- (a) holds a majority of the voting rights; or
- (b) has the right to appoint or remove a majority of its board of directors; or
- (c) controls alone, pursuant to a written agreement with other shareholders, a majority of the voting rights therein.

Directors and Officers Liability

Wrongful act

Wrongful act means

- (a) any error, misstatement, misleading statement, act, omission, negligence, or breach of duty actually or allegedly committed or attempted by any of the insured persons, individually or otherwise, in their capacity as such, or
- (b) any matter claimed against an insured person solely by reason of his serving in such capacity.

Except as may be otherwise specifically provided in this section, wrongful act does not include any conduct actually or allegedly committed or attempted by insured persons in their capacity as a director, officer, trustee or employee of any organisation other than the insured company, even if service in such capacity is with the knowledge and consent of, at the direction or request of, or part of the duties regularly assigned to the insured person by the insured company.

Specific exceptions

The company shall not be liable for loss arising from any claim

1. based upon, arising out of, or attributable to
 - (a) any wrongful act of which the insured was aware at the inception of this section;
 - (b) any fact, circumstance or situation which has been the subject of any written notice given under any section of which this section is a renewal or replacement;
 - (c) any prior or pending litigation against the insured as at the inception of this section or the same or substantially the same fact, circumstance or situation underlying or alleged therein;
2. for a wrongful act by an insured person in an outside entity;
3. brought or maintained by or on behalf of the insured company or any insured person in any capacity except:
 - (a) a claim that is a derivative action brought or maintained on behalf of the insured by one or more persons who are not insured persons and who bring and maintain the claim without the solicitation or instigation of any insured;
 - (b) a claim brought or maintained by any insured person for contribution or indemnity, if the claim directly results from another claim covered under this section; or
 - (c) a claim brought or maintained by any employee of the insured company other than as described in the definition of insured person; or
 - (d) a claim brought or maintained by any insured person for any actual or alleged employment related wrongful act;
4. based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any pension, profit sharing or employee benefit or welfare programme or any share option, share incentive scheme or trust established in whole or in part for the benefit of any of the directors, officers or employees of the insured;
5. for bodily injury, mental anguish, emotional distress, sickness, disease or death of any person, or for damage to or destruction of any tangible property including loss of use thereof, or for defamation of character or violation of a person's right of privacy;

Provided this exception shall not apply in respect of any actual or alleged mental anguish, emotional distress, libel, slander, defamation of character or violation of a person's right of privacy in any claim by a past, present or prospective employee of the insured company for any employment-related wrongful act.

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6. based upon, arising out of, or attributable to
 - (a) the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of pollutants into or on real or personal property, water or the atmosphere; or
 - (b) any direction or request that the insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralise pollutants, or any voluntary decision to do so; including without limitation any securities claim or any other claim by or on behalf of the insured, its securities holders or creditors based upon, arising out of, or attributable to the matters described in this exception;
7. arising from any wrongful act which occurred prior to the retroactive date stated in the schedule provided that nothing contained within this exception shall be interpreted as releasing the insured from their obligation to disclose as a material fact all details of claims made or outstanding or events likely to give rise to a claim;
8. for any deliberately fraudulent act or omission or any wilful violation of any statute or regulation if a judgment or other final adjudication adverse to such insured person establishes that such insured person committed in fact such an act, omission or wilful violation; or
9. based upon, arising out of, or attributable to such insured person gaining in fact any personal profit; remuneration or financial advantage to which such insured person was not legally entitled;
10. based upon, arising from or in consequence of the rendering of or failure to render professional services;
11. based upon, arising from or in consequence of or the failure to arrange, maintain or buy insurance;
12. based upon, arising out of, any breach of either the Public Finance Management Act (No 1 of 1999 as amended) or the Municipal Finance Management Act (No 56 of 2003 as amended).
13. based upon or arising out of, or attributable to any actual or intended private placement or public offering of any securities of the insured;
14. arising out of the insolvency of the insured company if at the time of inception of this section
 - (a) the insured company's liabilities exceeded its assets;
 - (b) the insured company had justifiable cause to contemplate business rescue proceedings
15. brought against the insured for any actual or alleged wrongful act by a major shareholder. For the purpose of this exception a major shareholder is a shareholder of the insured
 - (a) who owns or controls more than 50 percent of the ordinary shares; or
 - (b) who has the right to appoint or remove directors holding more than 50 percent of the voting rights at meetings of the board; or
 - (c) who has the sole control of more than 50 percent of the voting rights in the insured company, whether pursuant to an agreement with other members or otherwise.
16. arising from or in consequence of alleged or actual
 - (a) payments, commissions, gratuities, benefits or any other favours to or for the benefit of any full or part time domestic or foreign government or armed services officials, agents, representatives, employees or any members of their family or any entity with which they are affiliated; or
 - (b) payments, commissions, gratuities, benefits or any other favours to or for the benefit of any full or part-time officials, directors, agents, partners, representatives, principal shareholders, owners, employees or affiliates (including any officers, directors, agents, owners, partners, representatives, principal shareholders or employees of such affiliates) of any customers of the insured or any member of their family or any entity with which they are affiliated; or
 - (c) political contributions, whether domestic or foreign.

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17. The company shall not be liable to make any payment in connection with any loss arising out of, based upon or attributable to, or in any way involving any actual or alleged act of, money laundering. The burden of proving that any loss does not fall within the money laundering exception shall be upon the insured.

Money laundering means the actual or attempted conspiracy to commit or commission, aiding, abetting, counselling, procuring, or inciting of any act which is in breach of and/or constitutes an offence or offences under:

- (a) any money laundering legislation (or any provision and/or rule or regulations made by any Regulatory Body or Authority thereunder), including any act which, if it occurred in a part of the United Kingdom, would be unlawful under Part 7 of the Proceeds of Crime Act 2002 (c.29) *et seq.* and/or any act which, if it occurred in a part of the United States, would be unlawful under Racketeer Influenced and Corrupt, Organisation Act 18 United States Code 1961 *et seq.*; or
- (b) any legislation which implements or is designed to implement the European Council Directive, 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering as amended (including Part 3 of the United Kingdom Terrorism Act 2000 (c.11) *et seq.*); and/or,
- (c) any offence under the International Convention for the Suppression of Financing of Terrorism.

Specific conditions

- 1.
 - (a) For the purposes of this section, all claims arising out of the same wrongful act and all interrelated wrongful acts of the insured persons shall be deemed one claim, and such claim shall be deemed to be first made on the date the earliest of such claims is first made against them, regardless of whether such date is before or during the period of insurance.
 - (b) The company's maximum liability for loss on account of all claims first made during the same period of insurance, whether covered under one or more insuring agreements, shall be the limit of indemnity for each period of insurance set forth in the schedule.
 - (c) Except as otherwise provided in this clause, the company's liability in respect of loss arising from each claim shall apply only to that part of loss which is excess of the applicable first amount payable stated in the schedule and such first amount payable shall be borne by the insured uninsured and at its own risk.
 - (d) Defence costs shall be part of and not in addition to the limit of indemnity stated in the schedule, and said limit of indemnity shall be reduced by the amount of such defence costs.
 - (e) The exercise of the discovery period option shall not increase or reinstate the limit of indemnity stated in the schedule, which shall be the maximum liability of the company for all loss on account of all claims first made during the period of insurance and discovery period, combined.
- 2. The insured shall, as a condition precedent to their rights under this section
 - (a) advise the company as soon as reasonably possible of any claim but not later than 30 days after such claim is first made against an insured person;
 - (b) advise the company as soon as reasonably possible after they become aware of any circumstances which could give rise to a claim; any claim subsequently arising from such circumstances shall be deemed to have been made at the time that the circumstances were first reported;
 - (c) give to the company such information and cooperation as it may reasonably require, including but not necessarily limited to a description of the claim or circumstances, the nature of the alleged wrongful act, the nature of the alleged or potential damage, the names of actual or potential claimants and the manner in which the insured first became aware of the claim or circumstances.
- 3.
 - (a) It shall be the duty of the insured person(s) and not the duty of the company to defend any claim.
 - (b) The insured and insured person(s) agree not to settle or offer to settle any claim, incur any defence costs or otherwise assume any contractual obligation or admit any liability with respect to any claim

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without the company's written consent. The company shall not be liable for any settlement, defence costs, assumed obligation or admission to which it has not consented.

- (c) In respect of any claim submitted under this section, the company shall have the right and shall be given the opportunity to effectively associate with, and shall be consulted in advance by the insured regarding:
- (i) the selection of appropriate defence attorneys and counsel;
 - (ii) substantive defence strategies, including, without limitation, decisions regarding the filing and content of substantive motions;
 - (iii) settlement negotiations.

(d) The insured shall provide the company with all information, assistance and co-operation which the company reasonably requests and agree that in the event of a claim they will do nothing that shall prejudice the company's position or their potential or actual rights of recovery. The company may make any investigation it deems necessary.

(e) The company may, with the written consent of the insured company, settle any claim for solely a monetary amount which the company deems reasonable. If the insured withholds consent of such settlement, the company's liability for all loss on account of such claim shall not exceed the amount for which the company could have settled such claim plus defence costs accrued as of the date such settlement was proposed in writing by the company to the insured.

4. The company may at its sole discretion advance on behalf of the insured person(s) defence costs which the insured person(s) have incurred in connection with claims made against them, prior to the final disposition of such claims. In such event the insured agree:
- (a) that in the event it is finally established that any such defence costs are not covered under this section, they will be repaid to the company
 - (b) any such advancement of defence costs shall reduce the limit of indemnity for such claim
 - (c) any such advancement of defence costs shall not create any presumption in respect of the allocation of other loss on account of any claim.
 - (d) any such advancement of defence costs are subject to specific condition 5.
5. If in any claim the insured company and/or insured person(s) incur loss jointly with others, or incur loss partly covered by this section and partly not covered, then the insured and the company shall allocate such amount between loss covered and not covered based upon the relative legal exposures of the parties to matters covered and not covered.

If there can be an agreement on an allocation of defence costs, the company shall advance on a current basis defence costs allocated to the covered loss. If there can be no agreement on an allocation of defence costs, the company shall advance on a current basis defence costs which the company believes to be covered under this section until a different allocation is negotiated, arbitrated or judicially determined. Any advancement of defence costs shall be subject to, and conditional upon receipt by the company of a written undertaking by the insured company and each insured person(s) that such advanced amounts shall be repaid to the company by the insured severally according to their respective interests if and to the extent they shall not be entitled under the terms and conditions of this section to cover for such defence costs.

Any negotiated, arbitrated or judicially determined allocation of defence costs on account of a claim shall be applied retroactively to all defence costs on account of such claim, notwithstanding any prior advancement to the contrary. Any allocation or advancement of defence costs on account of a claim shall not apply to or create any presumption in respect of the allocation of other loss on account of such claim or any other claim.

6. If any loss arising from any claim made under this section is insured under any other valid and collectable policy(ies), prior or current, then this section shall cover such loss, subject to its terms, conditions and

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exceptions only to the extent that the amount of such loss is in excess of the amount of such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the limit of indemnity provided by this section.

7. If during the period of insurance the insured company
- (a) acquires securities in another organisation or creates another organisation, which as a result of such acquisition or creation becomes a subsidiary, or
 - (b) or acquires any organisation by merger into or consolidation with the insured company

such organisation and its insured persons shall be covered under this section as follows:

- (i) If the fair value of all cash, securities, assumed indebtedness and other consideration paid by the insured company for any such acquisition or creation is less than 20% of the total assets of all of the companies as reflected in the insured company's most recent financial statements as at the inception of the period of insurance, such organisation and its insured persons shall automatically be covered under this section, but only with respect to wrongful acts taking place after such acquisition or creation.
- (ii) In respect of all other acquisitions or creations described in (a) or (b) above, such organisation and its insured persons shall automatically be covered under this section but only for ninety (90) days or the remainder of the period of insurance, whichever is less, following the effective date of such acquisition or creation ("automatic cover period") and only in respect of wrongful acts taking place after such acquisition or creation.

8. If during the period of insurance

- (a) the insured company merges into or consolidates with another organisation, or
- (b) another organisation, or person or group of organisations and/or persons acting in concert, acquires securities or voting rights which result in ownership or voting control by the other organisation(s) or person(s) of more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of directors of the insured company,

cover under this section shall continue until termination of this section but only in respect of claims for wrongful acts taking place prior to such merger, consolidation or acquisition. As of the effective date of such merger, consolidation or acquisition, all premiums paid or due at any time under this section shall be deemed fully earned and non-refundable.

The insured company shall give written notice of such merger, consolidation or acquisition to the company as soon as reasonably possible together with such information as the company may request.

9. If before or during the period of insurance an organisation ceases to be a subsidiary, cover in respect of such subsidiary and its insured persons shall continue until termination of this section but only in respect of claims for wrongful acts taking place prior to the date such organisation ceased to be a subsidiary.
10. No fact pertaining to or knowledge possessed by any insured person shall be imputed to any other insured person for purposes of applying the exceptions set forth in this section. Only facts pertaining to or knowledge possessed by an executive officer shall be imputed to the insured company for purposes of applying the exceptions set forth in this section.
11. In granting cover under this section, the company has relied upon the statements and representations in the proposal form. The insured represents that all such statements and representations are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the company under this section which is issued in reliance upon the truth thereof.

The insured agree that in the event that any such statements and representations are untrue, this section shall not afford any cover in respect of any of the following insured persons:

- (a) any insured person who knew the facts relating to him/herself were not truthfully disclosed in the proposal form;

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(b) the insured company, under insuring agreement B, to the extent it indemnifies any insured person referred to in (a) above.

12. This section only covers wrongful acts occurring and claims made in the Republic of South Africa.

13. This section shall be governed by the law of the Republic of South Africa and shall be subject to the exclusive jurisdiction of the competent courts thereof.

14. This section shall terminate at the earliest of the following times:

(a) the effective date of termination specified in a prior written notice by the insured company to the company, provided this section may not be terminated by the insured company after the effective date of the insured company merger, consolidation or acquisition as described in specific condition 8; or

(b) upon expiration of the period of insurance as stated in the schedule; or

(c) ten (10) days after receipt by the insured company of a written notice of termination from the company for failure to pay a premium when due, unless the premium is paid within such ten (10) day period; or

(d) at such other time as may be agreed upon by the company and the insured company.

The company may not terminate this section prior to expiration of the period of insurance, except as provided above for non-payment of a premium. The company shall refund the unearned premium computed at customary short period rates if this section is terminated by the insured company.

Under any other circumstances the refund shall be computed pro rata. Payment or tender of any unearned premium by the company shall not be a condition precedent to the effectiveness of such termination, but such payment shall be made as soon as reasonably possible.

15. The insured shall, at the expense of the company, do and permit to be done all such things as may be necessary or reasonably required by the company for the purpose of enforcing any rights to which the company shall be or would become subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.

16. (a) No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this section.

(b) No person or organisation shall have any right under this section to join the company as a party to any action against insured persons nor shall the company be impeded by the insured or their legal representatives.

(c) Liquidation or insolvency of an insured company or of the estate of any insured person shall not relieve the company of its obligations nor deprive the company of its rights or defences under this section.

17. The insured company agrees to act on behalf of the insured in respect of the giving and receiving of notice of claim or termination, the payment of premiums and the receiving of any return premiums that may become due under this section, the agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this section (except as regards the insured person(s) ability to apply for the discovery period). The insured persons agree that the insured company may so act on their behalf.

18. No change in, modification of, or assignment of interest under this section shall be effective except when made by a written endorsement to this section which is signed by an authorised representative of the company.

Clauses and extensions

Estates and legal representatives

This section shall cover claims for wrongful acts made against the estates, heirs, legal representatives or assigns of insured persons who are deceased or against the legal representatives or assigns of insured person(s) who are incompetent, insolvent or liquidated to the extent that in the absence of such death, incompetence, insolvency or liquidation, such claims would have been covered under this section.

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Spousal liability

If a claim against an insured person includes a claim against the insured person's lawful spouse solely by reason of

- (a) such spouse's legal status as a spouse of the insured person, or
- (b) such spouse's ownership interest in property which the claimant seeks as recovery for alleged wrongful acts of the insured person,

all loss which such spouse becomes legally obligated to pay by reason of such claim shall be treated for purposes of this section as loss which the insured person becomes legally obligated to pay on account of the claim made against the insured person. All terms and conditions of this section, including without limitation the first amount payable, applicable to loss incurred by such insured person in the claim shall also apply to such spousal loss.

The cover provided by this extension does not apply to the extent that the claim alleges any wrongful act by the insured person's spouse.

Discovery period

If the company or the insured company do not renew this section or terminates this section, the insured company and insured persons shall have the right, upon payment of an additional premium equal to 100% of the annual premium for this section, to an extension of the cover for a period of 12 months (the discovery period) following the effective date of such non-renewal or termination, but only in respect of a wrongful act otherwise covered under this section taking place prior to the effective date of such non-renewal or termination.

This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is given by the insured company to the company within 30 days following the effective date of termination or of non-renewal. Any claim made during the discovery period shall be deemed to have been made during the period of insurance.

The premium due for the discovery period shall be deemed fully earned and non-refundable upon payment. The insured company shall not be entitled to elect the discovery period under this extension if an extension of cover is granted pursuant to specific condition 8.

General counsel liability

The provision of professional advice or services of any internal general counsel in the full time employment of the insured company given exclusively to the insured company with regard to the direction or management of the insured shall not be regarded as falling within the scope of professional services as envisaged by specific exception 10.

Emergency costs

If the company's written consent cannot be obtained before defence costs are incurred with respect to loss indemnifiable in terms of this section, the company will give retrospective approval for such defence costs provided that the company's liability shall not exceed 10% of the limit of indemnity and provided further that such approval is sought as soon as reasonably practicable.

Retired directors' and officers' cover

In the event that this section is not renewed and not replaced with another policy affording Directors' and Officers' Liability cover and a discovery period is not invoked, the cover provided by this section shall, subject to the limit of indemnity, extend to indemnify any retired director or officer in respect of claims brought against such person during the period of 6 years immediately following the date of such non-renewal. For the purposes of this extension a retired director or officer shall mean one who has ceased to hold office prior to the expiry of the period of insurance for any reason other than disqualification from holding office as a company director.

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Corporate Manslaughter Costs

Notwithstanding anything to the contrary in specific exception 5, the company will indemnify the insured persons in respect of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the insured company) necessarily incurred in connection with a formal hearing into the affairs of the insured company arising out of any action brought against the insured company alleging corporate manslaughter even though the insured persons have not been named in the investigation provided that the company's liability in respect of this extension shall not exceed the limit of indemnity stated in the schedule.

Extradition Costs

(a) Costs of defending extradition proceedings

The company will pay the reasonable fees, costs and expenses of each insured person (other than remuneration of the insured person, cost of their time or costs or overheads of the insured company) incurred with the company's prior written consent, by or on behalf of such insured person acting in their capacity as such, in connection with challenging, resisting and/or defending extradition proceedings brought against such insured person, following:

- (i) receipt by such insured person of an official notice in writing from the responsible governmental authority advising of a request for extradition being made against them; or
- (ii) the execution of a warrant for the arrest of such insured person,

whichever is the earlier.

Extradition proceedings includes any appeal relating thereto as well as judicial review applications challenging the designation of any territory for the purposes of the Extradition Act 1962 and the Amendment Act, No 79 of 1996 of the Republic of South Africa (or the equivalent legislation in any other territory), (including for the avoidance of doubt, the selection of the USA as a designated category 2 territory), any extradition decision by the Secretary of State or applications to the European Court of Human Rights or similar court with respect to extradition proceedings.

The company's liability in respect of this extension shall not exceed 20% of the limit of indemnity stated in the schedule.

(b) Extradition crisis costs and extradition media expenses

The company will pay, as part of the limit of indemnity, at the election of the insured person:

- (i) up to 10% of the sub-limit for extradition costs for media expenses; and
- (ii) up to 10% of the sub-limit for extradition costs for extradition crisis costs

For the purposes of this extension

- (i) extradition crisis costs mean the reasonable fees, costs and expenses of any accredited counsellor and/or tax adviser retained by the insured person, with the company's prior written consent, directly in connection with extradition proceedings brought against such insured person;
- (ii) extradition media expenses mean the reasonable fees, costs and expenses of public relations consultants retained by the insured person, with the company's prior written consent, directly in connection with extradition proceedings brought against such insured person.

Pollution defence costs

Notwithstanding anything stated in specific exception 6 cover is granted in respect of defence costs up to R250,000 incurred in connection with the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of pollutants.

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Deprivation of Assets Extension

The company will pay directly to service providers expenses incurred by an insured person relating to schooling, housing, utilities and personal insurances for a period not exceeding 12 months commencing 30 days after the execution of an interim or interlocutory order confiscating, controlling, suspending or freezing rights of ownership of, or creating a charge over, real or personal assets of such insured person, provided that:

- (a) a personal allowance has been directed by a court to meet such payments; and
- (b) such personal allowance has been exhausted; and
- (c) the liability of the company in terms of this extension shall be sub-limited to 1% of the limit of indemnity for each insured person and the sub-limited in the annual aggregate to 10% of the limit of indemnity which limit shall be in excess of the general limit of indemnity.

Public relations expenses

Subject to their prior written agreement, the company will pay fees, costs and expenses of public relations consultants crisis management firm or law firm retained by an insured person reasonably incurred by such insured person in order to prevent or limit adverse effects or negative publicity which it is anticipated may arise from a claim or investigation directly in connection with a wrongful act for which a claim has been admitted in terms of this section provided that the liability of the company in terms hereof shall be sub-limited to 5% of the limit of indemnity stated in the schedule.

Reputational protection expenses

Subject to their prior written agreement, the company will pay the reasonable fees and related expenses of a public relations firm or consultant retained by an insured person in order to disseminate the findings of a final adjudication in favour of insured person arising out of a claim that has been admitted in terms of this section provided that the liability of the company shall not exceed the limit of indemnity stated in the schedule.

Non-executive directors protection

In the event of the company avoiding this section from inception or from the time of any variation in cover due to fraudulent conduct, non-disclosure, misrepresentation or intent to deceive by the insured company or one or more of the insured persons, the company shall maintain cover for each non-executive director who is insured under this section until the expiry date of the section unless the company is able to establish that such non-executive director was involved in or aware of any such fraudulent conduct, non-disclosure, misrepresentation or intent to deceive.

Injury and Damage Defence Costs

Notwithstanding anything to the contrary in specific exception 5, the company will pay the non-indemnifiable loss related to defence costs only of an insured person in any instance where the general liability insurance effected by the insured company fails to respond. For the purposes of this extension non-indemnifiable loss means that loss of an insured person for which the insured company is unable to indemnify due to legislative prohibition or due to its insolvency. The company's liability in respect hereof shall be sub-limited to 20% of the limit of indemnity.

Fines and penalties extension

Notwithstanding anything contained in the section to the contrary, the company will pay on behalf of the insured persons any civil fines and penalties imposed on such insured persons by law following an official investigation, examination, inquiry or like proceeding ordered or commissioned by any official or regulatory authority that is granted a recognition order by the Financial Services Board or equivalent official or regulatory authority in any other jurisdiction to which this insurance applies to investigate the affairs of the insured company, other than the following:

- (a) fines or penalties imposed in connection with intentional or fraudulent acts;
- (b) any form of criminal fines or penalties;

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- (c) fines or penalties considered uninsurable under the law applicable to the section or by any other applicable law;
 - (d) fines or penalties imposed in connection with any breach of any form of tax regulation or tax infringement;
- The company's liability in terms of this extension is sub-limited to 2.5% of the limit of indemnity stated in the schedule.

Tax, COID and UIF extension

This section is extended to include the loss of any insured person arising from their personal liability for unpaid taxes, compensation for Occupational Injuries & Disease and Unemployment Insurance Fund contributions where the insured company has become insolvent except to the extent that such liability arises out of wilful intent on the part of the insured persons to breach any statutory duty governing the payment of such taxes and contributions, provided that:

- (a) the company's liability in terms hereof shall be sub-limited to 10% of the limit of indemnity; and
- (b) the company have not invoked the insolvency exception.

Special excess protection for directors

The company will pay the non-indemnifiable loss of each and every director and non-executive director, up to the directors and non-executive directors special excess limit, due to any wrongful act when:

- (a) the limit of indemnity; and
- (b) all other applicable management liability insurance whether specifically written as excess over the limit of indemnity of this section or otherwise
- (c) all other indemnification for loss available to any director and non-executive director have all been exhausted

For the purposes of this extension non-indemnifiable loss means that loss in respect of defence costs only of an insured person for which the insured company is unable to indemnify such insured person due to legislative prohibition or due to its insolvency.

The company's liability in respect hereof shall not exceed the sub-limit of 1% of the limit of indemnity for each director and non-executive director and sub-limited to an annual aggregate amount of 10% of the limit of indemnity in all.

Reinstatement of limit of indemnity

In the event of the reduction of the limit of indemnity specified in the schedule, in whole or in part, by reason of payment of any loss including costs and expenses then such limit of indemnity shall be automatically reinstated to the extent of such reduction provided that:

- (a) such reinstated limit of indemnity shall only apply in respect of those claims that are not causally or logically connected by reason of inter alia any common facts, circumstances, situations, transactions, events or decisions or related series thereof, as the claim(s) which triggered this provision, and;
- (b) the total liability of company under this section shall not exceed a total aggregate amount of twice that sum stated in the schedule.

In the event of the existence of excess insurance which provides a limit of indemnity specifically to apply excess over the limit of indemnity of this section, this provision is amended so as to apply only in the event of the exhaustion of the limit of indemnity of this section and the limit(s) of indemnity provided under any applicable excess insurance policies.

Electronic Equipment

Sub-section A: Material damage

Defined events

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

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

Exceptions to sub-section A

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

1. the first amount payable as stated in the schedule in respect of sub-section A, of each and every event giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one event, the first amount payable shall be the highest single amount applicable to such property insured
2. derangement unless accompanied by physical damage otherwise covered by this section
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on behalf of the insured covering the insured equipment
4. faults or defects known to the insured (or their responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to the company or any consequences thereof
5. wastage of material or the like or wearing out of any part of the property insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration, development of poor contacts or scratching of painted or polished surfaces of a cosmetic nature
6. parts having a short life such as (but not limited to) bulbs, valves, contacts, X-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for by this sub-section to other parts of the property insured, the company shall indemnify the insured for the residual value prior to the loss of such exchangeable parts
7. the cost of reproducing data and/or programs whether recorded on cards, tapes, disks or otherwise unless specifically provided for in sub-section B hereof
8. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein
9. (a) loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry into or exit (or any attempt thereat) from that part of the building occupied by the insured at the insured premises described in the schedule or as a result of theft or any attempt thereat, following violence or threat of violence other than in respect of portable laptop and notebook computers where forcible and violent entry to or exit from the building or that part of the building occupied by the insured will not apply. It is a condition that laptops and/or notebooks will be individually specified in the schedule of this section.

(b) loss of the property insured by theft during transit or whilst temporarily removed from the insured premises unless identifiable by the insured with a specific incident which has been immediately reported to the police and the company.
10. The company shall not be liable to indemnify the insured for loss of or damage to the property insured resulting from or caused by theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit.

If the insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was

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blocked by thieves using an electronic device, such evidence shall be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of the cab or boot of the vehicle

provided that

the above shall not apply to theft of the property insured where the vehicle

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

11. Loss of or damage to the property insured described in the Schedule due to a power spike and/or power surge and/or an under-voltage condition arising out of the energising of any standby power generating plant to which the insured property/machinery has been connected.

This exception shall not apply if the standby power generating plant has been fitted with appropriate voltage and frequency regulation equipment.

Basis of indemnification

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

(1) Partial loss

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

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

(2) Total loss

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

- (i) the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured, subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment exceeding the market value of the property insured immediately before the damage shall be made
- (ii) until expenditure has been incurred by the insured in replacing or reinstating the property insured, the company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein
- (iii) these conditions shall be without force or effect if
 - (a) the insured fails to intimate to the company within six (6) months of the date upon which the damage occurred (or such further time as the company may in writing allow) his intention to replace or reinstate the property insured

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- (b) the insured is unable or unwilling to replace or reinstate the property insured on the same or another site
- (iv) at the sole option of the company, following commercial and technical appraisal by a representative of the company, the period referred to in the definition of new property may be extended (on an annual basis from renewal date) subject always to such extension of period being admitted by memorandum to this section.

Definition of new property insured

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

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

Definition of market value

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

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

Average

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

Limit of liability

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

(a) Architects' and other professional fees

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

(b) Clearance costs

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

(c) Express delivery and overtime

Extra charges for express delivery, airfreight, overtime, Sunday and holiday rates of wages payable in respect of the necessary and reasonable additional costs incurred by the insured for effecting repairs or

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replacement approved by the company, limited to 50% of the amount which the repair or replacement would have cost had these additional costs not been incurred.

Clauses and extensions

Power surge or lightning strikes

All loss or damage to the property insured by power surges or lightning strikes will be subject to an additional first amount payable of 10% of the net amount payable for the items so damaged subject to a minimum of R1 000, but not exceeding R2 000 per occurrence. However, should the property insured be appropriately and adequately protected by suitable safeguards against electrical supply fluctuations, then this additional first amount payable will be waived.

Fire brigade charges

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

Tenants

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

Hire purchase/finance agreements

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

Non-forcible and violent entry into vehicle extension (if stated in the schedule to be included)

Exception 10 shall not apply to goods in the cab or boot of the vehicle where the insured maintains that the vehicle was locked but no evidence of forcible and violent entry or exit from the vehicle exists, provided that:

1. the police case number is supplied to the company;
2. this extension shall only apply to property that is separately and individually specified in the schedule;
3. after the deduction of the first amounts payable specified in the schedule, the liability of the company is further restricted to the lesser of 50% of the claim or R10 000 in respect of any one event.

Sub-section B: Consequential loss

Defined events

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

(i) Increased cost of working

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

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

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

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

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(ii) Reinstatement of data/programs

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

provided that

- (a) the indemnity shall not extend to nor include such costs incurred due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programs
- (b) in respect of each and every event or series of events arising out of or in connection with one original cause or source indemnifiable by this item, the insured shall bear the amount stated in the schedule as the first amount payable
- (c) where the insured elects to insure programs (software), a schedule of such programs shall be lodged with the company at the commencement of each period of insurance.

Definitions

Indemnity period

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

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

Accident

1. (Applicable to increased cost of working only) physical loss of or damage to the property insured described in the schedule from any cause as provided for under sub-section A of this section, liability under which sub-section shall, except for the provisions relating to the first amount payable or the maintenance/lease agreements, be a condition precedent to liability hereunder.
2. Failure of the public supply of electricity at the terminal ends of the service feeders in the premises from any accidental cause other than
 - (a) the deliberate act of the insured or any supply authority
 - (b) drought or shortage of fuel at any electricity utility.Special conditions applicable to failure of the public supply of electricity
 - (a) The liability of the company shall not exceed the sum insured by this sub-section.
 - (b) The indemnity period shall commence 12 hours after the failure and end not later than 30 days after such failure.

The limit of liability

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

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

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

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Specific exceptions to sub-section B

Unless specifically provided for

1. Fines and penalties

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

2. Loss of profit

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

Clauses and extensions

Reinstatement

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

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

Telkom access lines (if stated in the schedule to be included)

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

Special conditions applicable to Telkom access lines

- (a) The liability of the company shall not exceed the sum insured by this sub-section.
- (b) The indemnity period shall commence 12 hours after the failure and end not later than 30 days after such failure.
- (c) The insurance provided does not cover loss occasioned by the deliberate act of any Telkom authority or by the exercise of such Telkom authority of its power to withhold or restrict access to its lines.

General memoranda

Memo 1 - Capital additions and currency fluctuations

The indemnity by this section shall include

- (a) additional equipment or programs purchased by the insured of a similar nature to that specified in the schedule, provided that, in respect of loss or damage due to electrical, mechanical or electronic breakdown or explosion, the insurance shall only commence after satisfactory completion of installation or commissioning/testing and put into use at the insured's premises
- (b) provision for devaluation or revaluation of the currency of the Republic of South Africa against that of the country of origin of the property insured and other inflationary trends, which may result in the escalation of the sum insured (representing the installed new replacement value) of the property insured

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

Memo 2 - Prevention of access

If, during the indemnity period, the business at the premises is interrupted or interfered with in consequence of the insured being prevented from having access to the property insured situated at the premises caused by damage to property within a 10 km radius of the insured premises as described in the schedule by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or impact by vehicles, the company shall

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indemnify the insured for loss resulting from such interruption or interference in accordance with the provisions contained herein

provided that

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

Memo 3 - Territorial Limits

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

Special exception (sub-sections A and B)

Viruses, Trojans and worms

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

General extensions

Incompatibility cover (if stated in the schedule to be included)

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

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

provided always that

- (1) the costs provided for in (a), (b) and (c) above shall be necessarily and reasonably incurred to maintain normal working conditions
- (2) such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-sections A or B (item ii) of this section
- (3) the cover afforded hereunder shall be restricted to
 - (i) parts or components of the electronic system which are not indemnifiable under sub-section A hereof
 - (ii) programs or data reinstated not indemnifiable under item (ii) of sub-section B hereof;
- (4) the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to twenty per cent (20%) of the applicable total sum insured under sub-section A (the limit of indemnity) and sub section B (item (ii)) or R25 000, whichever is the lesser.

Employers Liability

Defined events

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

The limit of indemnity

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

Territorial limits

Anywhere in the world but not in connection with

(i) any business carried on by the insured at or from premises outside
or

(ii) any contract for the performance of work outside

the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

Specific exceptions

This section does not cover

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

Specific conditions

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

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

Extensions

Extended reporting option

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

provided that

- (a) this option may only be exercised in the event of the company cancelling or refusing to renew this section
- (b) this option must be exercised by the insured in writing within 30 days of cancellation or non-renewal
- (c) once exercised, the option cannot be cancelled by either the insured or the company
- (d) the insured has not obtained insurance equal in scope and cover to this section as expiring
- (e) the company shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal
- (f) claims first made against the insured or any reported events by the insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal
- (g) the total amount payable by the company for claims made or reported events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the cancellation or non-renewal
- (h) any claim made, following a reported event during the extended reporting period, which is first made against the insured in writing more than 48 months after the last day preceding cancellation or non-renewal, shall not be subject to indemnification by this extension. If the claimant is a minor, the period of 48 months is extended until the expiry of 12 months after the attainment of majority by the claimant.

Principals

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

provided that

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

Employers Liability

Memorandum

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

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

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Defined events

Loss arising from any claim first made during the period of insurance for any actual or alleged unfair labour practice occurring on or after the retroactive date stated in the schedule and which is reported to the company in accordance with the terms, conditions, provisions and exceptions of this section.

Definitions

CCMA

CCMA means the Commission for Conciliation Mediation and Arbitration, bargaining council, the Labour Court or the Labour Appeal Court;

Claim

Claim means:

- (a) Any legal, administrative or regulatory proceeding, including the issue of a writ or summons or cross-claim or counter-claim issued or initiated against or served upon the insured or any employee of the insured for any unfair labour practice; or
- (b) Any written allegation of an unfair labour practice communicated to the insured or any employee of the insured and evidencing an intention to hold the insured responsible for an unfair labour practice.

More than one claim arising out of the same unfair labour practice shall be deemed to constitute a single claim first made at the time that the earliest such claim was first reported.

The term claim shall not include any labour or grievance proceeding pursuant to a collective bargaining agreement.

Costs and expenses

Costs and expenses means costs and expenses that are reasonably and necessarily incurred with the prior written consent of the company in the investigation, negotiation, defence or appeal of any claim.

If no service provider is named in the schedule, or if the service provider named in the schedule is not utilised by the insured, then the company shall not be liable for costs and expenses exceeding the amounts reflected in the costs and expenses table shown on the schedule.

Costs and expenses shall not include

- (a) the regular or overtime wages, salaries, commissions, expenses or other benefits paid to any employee of the insured involved in the preparation of any claim;
- (b) the cost of conducting disciplinary hearings;
- (c) the cost of conducting pre-dismissal arbitrations unless the company gives its prior written consent to such arbitration taking place.

Employee

Employee means

- (a) Any person where an employment relationship with the insured has been established by a competent court or the CCMA.
- (b) Any person who works for, or renders services to the insured where the nature of their relationship with the insured materially resembles that of an employment relationship. This includes but is not limited to a part-time, seasonal, volunteer, temporary and leased employee as well as any individual employed in a supervisory, managerial or non-executive director position.
- (c) Any other person claiming rights against the insured in terms of the applicable labour legislation, but only to the extent of disproving that their claim falls within the ambit of labour legislation.

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(d) Any other person who is an independent contractor to the company, but only to the extent that the company agrees in writing in advance of any unfair labour practice to indemnify such person. Any such indemnity shall be in addition to any indemnity otherwise available to the independent contractor or any affiliate of the independent contractor.

Independent contractor

Independent contractor means any natural person who renders service to the insured who is not an employee of the insured but is included as a defendant in a claim brought against the insured.

Insured

Insured means the insured organisation named in the schedule and its subsidiaries named in the schedule

Loss

Loss means

- (a) damages, judgments and costs awarded against the insured by the CCMA;
- (b) settlements entered into with the company's prior written consent, which will not be withheld unreasonably;
- (c) costs and expenses as defined above.

Loss shall not include

- (i) taxes, levies, fines or penalties;
- (ii) punitive, exemplary, aggravated or multiplied damages other than if awarded by the CCMA in connection with a claim for unfair dismissal or arising from a claim for defamation;
- (iii) any obligation arising from any law or regulation in any jurisdiction in respect of workers' compensation, disability benefits, termination for operational reasons, unemployment benefits or compensation, unemployment insurance, retirement benefits, social security benefits or compensation, or any similar law or regulation;
- (iv) any employment related benefits, allowances, stock options, deferred compensation, changing of company policy, affirmative action, education/sensitivity training or any other type of compensation other than salaries, bonuses and wages;
- (v) any liability or costs incurred by the insured to modify any building or property in order to make such building or property more accessible or accommodating to any disabled persons.

Period of insurance

Period of insurance means the period stated in the schedule

Service provider

Service provider means an employers' organisation or suitably skilled labour professional who is authorised to represent the insured at the CCMA.

Subsidiary

Subsidiary means

- (a) any branch, division or other internal structure of the insured except any pension fund or scheme established for the insured's own directors, officers or employees;
- (b) any company in respect of which the insured (either directly or indirectly through one or more of its subsidiary companies);
 - (i) controls the composition of the board of directors; or

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- (ii) controls more than 50% of the voting power; or
 - (iii) holds more than 50% of the issued share capital;
- (c) any company in respect of which the company has given prior written consent to its coverage as a subsidiary company under this section;

Takeover or merger

Takeover or merger means any transaction whereby another company acquires control over the assets or management of the insured or whereby the assets of the insured become vested in or under the control of another company including a transfer of whole or any part of a business, trade or undertaking that is transferred as a going concern.

Unfair labour practice

Unfair labour practice means

- (a) unfair discrimination against any employee in any employment policy or practice on any one or more grounds of race, gender, sex, pregnancy, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, marital status or family responsibility;
- (b) sexual harassment including unwelcome sexual advances, requests for sexual favours and any unwelcome verbal, visual or physical contact of a sexual nature which:
 - (i) is explicitly or implicitly made a condition or term of employment; or
 - (ii) when rejected or opposed by a person becomes a basis for decisions regarding the person's employment;
- (c) defamation which relates to a person's job skills, job performance, qualifications for employment, professional reputation, disciplinary history or termination of employment;
- (d) unfair dismissal, discharge or termination of employment or refusal to hire any prospective employee;
- (e) adverse change in the terms and conditions of a person's employment in retaliation for that person's exercise of his or her rights under law, or support of the rights of another.

Related, continuous, repeated or causally connected unfair labour practices shall for the purpose of this section constitute a single unfair labour practice.

SPECIAL MEMORANDUM

Acquisitions and new business

In the event of the creation or acquisition of a subsidiary company after the inception date of this section:

- (a) if, on the date created or acquired the total number of employees of the subsidiary company do not exceed 10% of the number of employees of the insured, the subsidiary company is automatically covered by the section and the company waives any reporting requirements;
- (b) if, on the date created or acquired, the total number of employees of the subsidiary company exceeds 10% of the number of employees of the insured, the subsidiary shall only be covered by the section if
 - (i) written notice thereof is given to the company within 90 days its creation or acquisition and
 - (ii) the company agrees to extend coverage and
 - (iii) the company receives any further information as they may request and
 - (iv) the company receives payment of any additional premium required.

Cover in terms of (a) and (b) above shall apply only in respect of any unfair labour practice committed or alleged to have been committed subsequent to the date of such acquisition or creation.

Employment Practices Liability

Specific exceptions

The company shall not pay any loss

1. for actual or alleged bodily injury, sickness, disease or death of any person or actual or alleged damage to or destruction of tangible property, including loss of use thereof;
2. arising from or in any way involving any actual dishonest, wilful, fraudulent or malicious act of the insured;
3. for any actual or alleged breach of any professional services or duty by an employee in the course of the insured's activities;
4. brought about by, or contributed to by, or consequent upon, any circumstances which may reasonably give rise to a claim that the insured was aware of prior to the inception of the section;
5. for any actual or alleged entitlement to insurance or other benefits under any workers compensation, unemployment compensation, disability, retirement or social security laws, rules and regulations;
6. arising out of industrial disputes or negotiations, trade union activities or trade union membership except for costs and expenses incurred in obtaining an interdict in the case of an unprotected strike action;
7. which constitutes the cost of compliance with any obligation to adapt premises or working methods to the needs of a person with a disability or to meet statutory health and safety standards or similar provisions of any statutory, civil or common law, other than costs and expenses
8. for breach of minimum wage regulations or non-payment of statutory maternity or sick pay or similar provision;
9. which constitutes compensation in respect of a notice period, or is determined to be owing under an express written contract of employment or pursuant to an express written obligation to make payments in the event of termination of employment;
10. relating to a retrenchment or termination for operational reasons or a breach of the terms of Section 189 of the Labour Relations Act 1995;
11. arising out of an unfair labour practice committed by the insured during or subsequent to a takeover or merger;
12. arising out of the transfer of contract of employment from the insured to another entity.

For the purpose of determining the applicability of the above exceptions the conduct of the insured or any employee shall not be imputed to any other employee

Specific conditions

1. The insured shall notify the company as soon as reasonably possible, but in any event within 30 days of becoming aware of any circumstances which may reasonably be expected to give rise to a claim. If such notice is given during the period of insurance, then any subsequent claim arising out of, based upon or attributable to the notified circumstances, shall be deemed to have been made at the time of such notice to the company.
2. The insured shall give the company all such information and cooperation, including access to documentation and witnesses, as the company may reasonably require and shall make every reasonable effort to keep secret the existence of this section.
3. The insured shall not admit liability for or attempt to settle any claim or incur any costs and expenses without the written consent of the company who shall be entitled at any time to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute in the name of the insured for its own benefit any claim for payment, indemnity or damages or otherwise against any third party. In any event no action shall be taken which might prejudice the company.
4. The insured shall not be required to contest any legal proceedings unless Counsel (to be mutually agreed upon) shall advise that such proceedings ought to be contested having regard to the prospect of success and other relevant circumstances.
5. The company shall not settle any claim without the consent of the insured. If, however, the insured shall refuse to consent to any settlement recommended by the company and shall elect to contest or continue any legal proceedings in connection with such claim, then the company's liability for the claim shall not exceed the amount by which the claim could have been so settled inclusive of costs and expenses

Employment Practices Liability

incurred with their consent up to the date of such refusal, and then only up to the limit of indemnity stated in the schedule.

6. The company shall be entitled to nominate an attorney and, if appropriate Counsel of their choice, to represent the insured.
7. This section (and any phrase or word contained therein) shall be interpreted in accordance with the law of the Republic of South Africa.
8. This section covers unfair labour practices taking place or claims made anywhere in the world excluding the United States of America and Canada.
9. The titles and headings to the various paragraphs and sections in this section, including endorsements attached, are included solely for ease of reference and do not in any way limit, expand or otherwise affect the provisions of such paragraphs and sections to which they relate.
10. No change in, modification of, or assignment of interest under this section shall be effective except when made by written endorsement signed by an authorised representative of the company.
11. If at the time of any claim under this section, insurance exists with any other insurer covering the insured against loss as defined, the company shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such loss. If any such other insurance is subject to any condition of average, this section shall be subject to average in like manner.
12. The insured shall, at the expense of the company, do and permit to be done all such things as may be necessary or reasonably required by the company for the purpose of enforcing any rights to which the company shall be, or would become, subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
13. This section may be cancelled at any time by the company giving 30 days' notice in writing to the insured, or by the insured giving immediate notice. The insured shall be entitled to a refund of premium for the unexpired period of insurance.
14. In the event of a takeover or merger of the insured, cover is limited to unfair labour practice committed by the insured unrelated to such takeover or merger.
15. The amount payable under this section for each and every claim shall be reduced by the first amount payable stated in the schedule.
16. The company's total aggregate liability for loss arising out of claims made against the insured related to one period of insurance shall not exceed the limit of indemnity stated in the schedule. Costs and expenses are included in the limit of indemnity and are not additional thereto.
17. The insured shall, prior to dismissing or taking any other disciplinary action against an employee, consult a Service Provider. The insured shall follow any advice or instruction offered by the Service Provider in respect of such proposed dismissal or disciplinary action, and failure to do so shall entitle the company to reject the subsequent claim.

Clauses and extensions

It is understood and agreed that this section extends to include the following, subject to the limits and first amounts payable specified in the schedule and subject to the terms, conditions and exceptions of the section insofar as they can apply and provided that the provisions of specific condition 16 remain unaltered.

Outsourcing extension (if stated in the schedule to be included)

Specific exception 12 is deleted

Retrenchments extension (if stated in the schedule to be included)

Specific exception 10 is deleted.

In-house labour advice extension (if stated in the schedule to be included)

Subject to suitably qualified and experienced labour practitioners being maintained in the insured's employ, Specific condition 17 is deleted.

Employment Practices Liability

Extended reporting period (if stated in the schedule to be included)

At the option of the insured and subject to payment of an additional premium as specified below the company agrees to extend the period during which the insured may report a claim for a period to be agreed but in no circumstances exceeding 12 months (hereinafter referred to as the extended reporting period).

Provided that

1. this option may only be exercised in the event of the company cancelling or refusing to renew the section;
2. this option must be exercised by the insured in writing within 30 days of cancellation or non-renewal;
3. once exercised the option cannot be cancelled by either the insured or the company;
4. the insured has not obtained insurance equal in scope and cover to this section as expiring;
5. the company shall only be liable for an unfair labour practice which occurred after the retroactive date but prior to the date of cancellation or non-renewal;
6. claims first made against the insured or any circumstances which may reasonably be expected to give rise to a claim reported by the insured shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal;
7. the total amount payable by the company for claims made or reported circumstances during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the cancellation or non-renewal;

Extended reporting period	Additional premium
90 days	25% of the annual premium
180 days	50% of the annual premium
1 year	100% of the annual premium

Unprotected strike dismissal extension (if stated in the schedule to be included)

The provisions of specific exception 6 are deleted in as much as they apply to an unfair dismissal arising out of an unprotected strike. For the purposes of this extension only, a strike will be deemed to be unprotected if the insured can show that at the time of the dismissal it was reasonable to assume that the strike was unprotected.

Mergers and takeovers extension (if stated in the schedule to be included)

Special exception 11 is deleted. In the event of a takeover or merger of the insured, the period of insurance shall mean the period stated in the schedule plus 180 days thereafter.

Fidelity

Defined events

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

provided that

- i) (a) the company is not liable for all losses which occurred more than 24 months prior to discovery;
(b) all losses are discovered not later than 12 months after the termination of:
 - (i) this section, or
 - (ii) this section in respect of any insured employee concerned in a loss, or
 - (iii) the employment of the insured employee or the last of the insured employees concerned in a loss whichever occurs first;
- ii) (a) **BLANKET BASIS** - the liability of the company for all losses shall not exceed the sum insured stated in the schedule whether involving any one employee or any number of employees acting in collusion or independently of each other;
(b) **NAMED OR POSITION BASIS** - the liability of the company for all losses involving any employee shall not exceed the sum insured stated opposite his name in the schedule or, if he is unnamed, the sum insured stated opposite the position held by him in the business as stated in the schedule;
- iii) renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing the liability of the company beyond the sum insured stated in the schedule. If the period of insurance is less than 12 months the company's liability is limited to the sum stated in the schedule during any 12-month period of insurance calculated from inception or renewal;
- iv) the term "dishonest personal financial gain" shall not include gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.

Definition

Employee shall mean

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

who the insured has the right at all times to govern, control and direct in the performance of his work in the course of the business of the insured and who, if this section is on a named and/or position basis, is described in the schedule by name and/or by the position held by him in the business.

Specific exceptions

1. The company shall not be liable for
 - (a) loss resulting from or contributed to by any defined event by
 - (i) any partner in or of the insured to the extent that such partner would benefit by indemnity granted under this policy;
 - (ii) any principal, director or member of the insured unless such director or member is also an employee;
 - (iii) any employee from the time the insured shall become aware that such employee has committed any fraud or dishonesty;
 - (b) any consequential losses of any kind following losses referred to under defined events.
2. This section does not cover any company or other legal entity acquired during the period of insurance.
3. The company shall not be liable for any defined event if it results from the dishonest

Fidelity

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

any computer program, system, data or software by any insured employee who is employed in the insured's electronic data-processing department or area.

This exception does not apply to insured employees who are employed in the electronic data-processing department/area of any non-networked micro/personal computer.

4. The company shall only be liable to the extent of the participation/shareholding of any uninvolved partners/ principals/directors or members for an insured event in which any partner/principal/director or member of the insured is or has been directly involved.

This specific exception only applies to partnerships, proprietary companies or close corporations

Specific conditions

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

Clauses and extensions

Accountants clause

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

Extended cover for past employees extension

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

Retroactive cover extension - No previous insurance in force (if stated in the schedule to be included)

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

Fidelity

Superseded insurances extension (if stated in the schedule to be included)

This section will apply to defined events insured herein which occurred during the currency of any insurance superseded by this section and specified in the schedule provided that:

1. this extension is restricted to losses which would have been payable by the superseded insurance but which are not claimable because of the expiry of the period of time allowed by the superseded insurance for the discovery of the defined events;
2. the defined events are discovered within the shorter period of 12 months of the termination of the employment of the employee concerned or within 12 months of the expiry of this section;
3. the amount payable under this extension shall not exceed the amount insured by this section or the amount insured by the superseded insurance whichever is the lesser;
4. in the event of the defined events involving one employee or any number of employees occurring during both the currency of this section and that of the superseded policy, the maximum amount payable shall not exceed the amount insured by this section at the time of discovery of the defined events;
5. this extension will not apply to defined events which occurred more than the number of years stated in the schedule before inception of this section;
6. the company is not liable for any loss which occurred more than 24 months prior to discovery.

Other insurances

It is a condition of this section that other than

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

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

Compulsory first amount payable

The amount payable under this section in respect of a defined event involving one employee or any number of employees acting in collusion shall be reduced by an amount equal to 10% of the claim subject to a minimum of R2 500. This amount shall be borne in full by the insured and remain uninsured.

Computer losses first amount payable

The percentage shown in the compulsory first amount payable clause is increased from 10% to 20% if the defined event results from the dishonest

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

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

First amount payable for losses discovered more than 12 months after they were committed

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

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

Fidelity

First Amount Payable Clause	First Amount Payable Increased to Percentage Shown Below	
	If losses are discovered more than 12 months after being committed but not more than 24 months thereafter	If policy has been extended to cover that part of losses discovered more than 24 months after being committed but not more than 36 months thereafter
Compulsory	From 10% to 15%	From 10% to 20%
Computer Losses	From 20% to 30%	From 20% to 35%

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

Voluntary first amount payable clause (if stated in the schedule to be included)

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

Reduction/Reinstatement of insured amount clause (if stated in the schedule to be included)

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

- the maximum amount payable by the company for all insured employees shall not exceed double the sum insured shown in the schedule;
- the insured pays additional premium calculated in terms of the following formula:

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

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

Costs of recovery extension (if stated in the schedule to be included)

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

Computer losses extension (if stated in the schedule to be included)

The insured having completed a satisfactory questionnaire, specific exception 3 and the Computer losses first amount payable clause are deleted.

Extension for losses discovered more than 24 months after being committed but not more than 36 months thereafter (if stated in the schedule to be included)

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

Fidelity

Extension granted on receipt of a satisfactory systems audit in respect of losses discovered more than 24 months after being committed (if stated in the schedule to be included)

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

- control
- fraud dishonesty and theft detection

and subject to the insured implementing and maintaining all the recommendations contained in such audit:

1. proviso 1 (a) of the defined events (*which limits cover to that part of losses discovered within 24 months*) and proviso 6 of the superseded insurance extension clause (*if applicable*) are deleted
2. if any defined event is discovered more than 12 months after it was committed, the percentages contained in the undernoted first amount payable clauses are increased as follows:

First Amount Payable Clause	First Amount Payable Increased to Percentage Shown Below if Losses Discovered More than 12 Months after being committed
Compulsory	From 10% to 12.5%
Computer Losses	From 20% to 25%

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

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

Memoranda

1. In the event of the discovery of any loss resulting from a defined event, the insured may, notwithstanding anything to the contrary contained in paragraph (ii) of general condition 6, refrain from reporting the matter to the police but shall do so immediately should the company or legislation of the relevant country require such action to be taken.
2. Non-disclosure of his own fraud or dishonesty or that of others with whom he is in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section.
3. General exceptions 1 and 2 and general condition 9 do not apply to this section.
4. If the sum insured shall be increased at any time, such increased amount shall apply only to defined events committed after the date of such increase.

Fire

Defined events

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

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

Specific exceptions

1. This section does not cover earthquake (whether arising from mining operations or otherwise) unless added as an additional peril, volcanic eruption or other convulsion of nature (other than subterranean fire).

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

2. Unless specifically included, this insurance does not cover
 - (i) damage to property occasioned by its undergoing any heating or drying process
 - (ii) damage to property which at the time thereof is insured by or would, but for the existence of this insurance, be insured by any marine policy(ies), except in respect of any excess beyond the amount which would have been payable under the marine policy(ies) had this insurance not been effected.

Specific condition

Average

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

Additional perils (if stated in the schedule to be included)

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

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

Earthquake extension

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

Fire

Special perils extension

Damage caused by

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

} Unless so described and specifically insured as a separate item

This extension does not cover

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

Leakage extension

Damage caused by discharge or leakage from any sprinkler, drencher system or fire extinguishing installation/appliance.

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

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

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

Subsidence and landslip extension

Damage caused by subsidence or landslip

provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1 per cent of the sum insured on the property at the affected location with a maximum of R50 000.

This extension does not cover

1. damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured
2. damage caused by or attributable to
 - (a) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
 - (b) workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises

Fire

(c) excavation on or under land other than excavations in the course of mining operations

3. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

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

Malicious damage extension

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

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

provided that this extension does not cover

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

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

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

During the period of the initial unoccupancy of 30 consecutive days, the insured shall become a co-insurer with the company and shall bear a proportion of any damage equal to 20% of the claim with a maximum of R5 000 000 before deduction of any first amount payable.

Riot and strike extension

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

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

provided that this extension does not cover:

- (a) loss or damage occurring in the Republic of South Africa and Namibia;
- (b) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;

Fire

- (c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- (e) loss or damage related to or caused by any occurrence referred to in General exception 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

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

Clauses and extensions

Rent clause (if insured under column 2)

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

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

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

Designation of property clause

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

All other contents clause

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

The benefit under this extension is limited to R7 500 for any one individual in respect of property lost or damaged whilst on the insured's premises.

Limitations clause

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

- (a) money and stamps to a limit of R7 500
- (b) documents, manuscripts, business books, plans, computer systems records and media, designs, patterns, models and moulds to the value of materials and sums expended in labour.

Alterations and misdescription clause

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy whether due to the transfer of processes or machinery or by virtue of acquisition of additional premises, structural alterations or repairs to buildings, machinery or plant, provided that notice is given to the company as soon as practicable after such event and the insured agrees to pay additional premium if required.

Fire

Architects' and other professional fees clause

The insurance under columns 1 and 3 of the schedule includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 20 per cent of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected.

The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property other than stock and materials in trade for an amount not exceeding 20 per cent of the sum insured thereon, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Cost of demolition and clearing and erection of hoardings clause

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

The company will not pay for any costs or expenses

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

Fire extinguishing charges clause

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

Mortgagee clause

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

Municipal plans scrutiny fee clause

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

Public authorities' requirements clause

The insurance under this section includes such additional cost of repairing or rebuilding the damaged property incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any act of parliament or ordinance of any provincial, municipal or other local authority provided that

1. the amount recoverable under this clause shall not include
 - (a) the cost incurred in complying with any of the aforesaid regulations
 - (i) in respect of damage occurring prior to granting of this clause
 - (ii) in respect of damage not insured under this section

Fire

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

Railway and other subrogation clause

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

Reinstatement value conditions clause

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

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

Alternative replacement conditions (design capacity) clause

In the event of property insured which has a measurable function, capacity or output being damaged by a defined event and it not being possible to replace or reinstate such property in terms of the reinstatement value conditions, then the company will pay the cost of replacing such property with property the quality, capacity, function or output of which is as near as possible but not inferior to that of the original property provided that

Fire

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

Temporary removal clause

Except in so far as it is otherwise insured the property insured is covered whilst temporarily removed elsewhere on the premises stated in the schedule or to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi provided that

1. unless such temporary removal is for the purpose of cleaning, renovation, repair or similar process, the liability of the company shall not exceed 20 per cent of the sum insured applicable to any item
2. the amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the property is temporarily removed.

Tenants clause

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

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

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

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

Fire

Public supply connections clause

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

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

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

At each renewal date, the insured shall notify the company of the sum(s) to be insured for the forthcoming period of insurance and the percentage increase required for such period. In default thereof, the provisions of this clause shall cease to apply.

The additional premium for this extension shall be 50 per cent of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

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

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

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

Glass

Defined events

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

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

1. the cost of such boarding up as may be reasonably necessary;
2. damage to shop fronts, frames, window displays (including fixtures and fittings), burglar alarm strips, wires and vibrators as a direct result of such loss or damage;
3. the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass;
4. the cost of employment of a watchman service prior to replacement of glass or boarding up or the repair of the burglar alarm system, unless payable under any other insurance arranged by the insured; provided that the liability of the company shall not exceed
 - (i) for the replacement of glass, signwriting and treatment — the sum insured as stated in the schedule applicable to the premises at which loss or damage occurs;
 - (ii) for all other costs and expenses provided for by this section and resulting from one occurrence or series of occurrences attributable to one source or original cause — in the aggregate the sum of R3 000.

Specific condition

Average

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

Definition of glass

Unless specifically agreed, all glass (other than mirrors) insured by this section is presumed to be plain plate/float glass not exceeding 6 mm in thickness, whether coated with a film or not, or laminated safety glass not exceeding 8.0 mm in thickness.

Specific exceptions

The company shall not be liable for

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

Extensions

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

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

Glass

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

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

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

provided that this extension does not cover:

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

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

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

Goods In Transit

Defined events

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

provided that:

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

Memoranda

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

Debris removal extension (if stated in the schedule to be included)

The insurance under this section includes costs necessarily incurred by the insured in respect of the clearing up and removal of debris following damage to the means of conveyance or to the property thereon, subject to a limit of R2 000 or the limit stated in the schedule, whichever is the greater, in respect of any one defined event.

Restricted cover

Fire, explosion, collision, derailment and overturning limitation (if stated in the schedule to be included)

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

Specific exceptions

The company shall not be liable for

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

Goods In Transit

- (d) detention, confiscation or requisition by customs or other officials or authorities;
 - (e) or arising whilst in transit by sea or inland transit incidental thereto;
 - (f) breakdown of refrigeration equipment;
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
 3. mechanical, electronic or electrical breakdown, failure, breakage or derangement of the insured property unless following an accident or misfortune not otherwise excluded;
 4. loss of or damage to
 - (a) cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
 - (b) property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi;
 - (c) property otherwise insured or which would, but for the existence of this section, be insured by any other insurance except in respect of any excess beyond the amount which would have been payable under such other insurance, had the insurance under this section not been effected;
 5. consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.

Specific extensions

1. Fire extinguishing charges extension

If the property described in the schedule is lost or damaged by fire in the course of a transit insured by this section the company will in addition to indemnifying the insured for such loss or damage pay for the cost of extinguishing or attempting to extinguish such fire provided that the maximum amount payable under this extension shall not exceed the limit of indemnity shown in the schedule opposite this clause plus (if applicable) the increased Fire extinguishing charges extension limit.

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

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

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

provided that this extension does not cover:

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

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

Group Personal Accident

Defined events

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

The company will pay to the insured, on behalf of such person or his estate, the compensation stated in the schedule in the event of accidental bodily injury to any such person directly and independently of all other causes resulting within 24 calendar months in death or disability as specified in the schedule under the heading circumstances.

Definitions

Permanent disability shall mean

	Percentage of compensation
(a) loss by physical separation at or above the wrist or ankle of one or more limbs _____	100
(b) permanent and total loss of	
whole eye _____	100
sight of eye _____	100
sight of eye except perception of light _____	75
(c) permanent and total loss of hearing	
both ears _____	100
one ear _____	25
(d) permanent and total loss of speech _____	100
(e) injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training _____	100
(f) loss of four fingers _____	70
(g) loss of thumb (one or both phalanges) _____	25
(h) loss of index finger (one, two or three phalanges) _____	10
(i) loss of any other finger (one, two or three phalanges) – each finger _____	6
(j) loss of metacarpals - first, second, third, fourth or fifth (additional) _____	5
(k) loss of toes	
all on one foot _____	30
great, one or both phalanges _____	5
other than great, if more than one toe lost, each _____	5

Memoranda

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

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

Medical expenses shall mean all costs and expenses necessarily incurred for artificial aids, prostheses, medical, surgical, dental, nursing home or hospital treatment (including costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) as a result of bodily injury and incurred within 24 months of the defined event.

Group Personal Accident

Business limitation (if stated in the schedule to be applicable)

This section applies only in respect of accidental bodily injury to such person arising from and in the course of his employment in the business.

Provisos

It is declared and agreed that

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

Extensions

1. Exposure

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

2. Disappearance

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

3. Burns disfigurement (if stated in the schedule to be included)

Subject to the exclusion shown below, the following item is added to the definition of permanent disability:

	Percentage of compensation
(l) permanent disfigurement resulting from accidental external burns to the combined surface area of the	
(i) face and neck	
100% surface area disfigurement _____	60
less than 100% surface area disfigurement _____	the proportion of 60 which the actual surface area disfigurement bears to 100% surface area disfigurement

Group Personal Accident

- (ii) remaining parts of the body other than the face and neck
100% surface area disfigurement _____ 30
less than 100% surface area disfigurement _____ the proportion of 30 which the actual surface area disfigurement bears to 100% surface area disfigurement

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

4. Life support machinery

Notwithstanding anything contained in the defined events, the 24-month period stated therein shall not include any period or periods where the death of such person is delayed solely by the use, for periods of not less than three consecutive days, of life support machinery, equipment or apparatus.

Specific exceptions

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

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

Householders

Defined events

1. Loss of or damage to the whole or part of the insured property by any of the perils specified in sub-section A
- Property subject to specific conditions in respect of perils 8 and 9 - theft.
2. Loss and/or additional expenses described in sub-section B - Rent.

Definitions

Insured property means:

- (i) household goods and personal effects (including money and negotiable instruments up to R2 500 (two thousand five hundred rand))
- (ii) (a) business goods and equipment up to R30 000 (thirty thousand rand) (excluding electronic data processing equipment)

(b) excluding stock-in-trade and equipment relating to a home industry

and fixtures and fittings (not being landlord's fixtures and fittings) the property of the insured or for which the insured is responsible or property of any member of the insured's family normally residing with the insured in:

- (a) the buildings of the insured's private residence and its domestic outbuildings or on the premises (excluding business goods and equipment) situated at the risk address stated in the schedule
- (b) any other occupied private residence
- (c) any building in which the insured is temporarily residing
- (d) any building in which the insured is employed
- (e) any furniture storage depot, bank or safe deposit box
- (f) any other building.

Sub-section A: Property

Insured perils:

1. fire, lightning, explosion
2. earthquake
3. storm, flood, wind, water, hail or snow excluding loss or damage to property:
 - (a) in the open unless the property is designed to exist or operate in the open
 - (b) that arises from undergoing any process necessarily involving the use or the application of water
 - (c) as a result of wear and tear or gradual deterioration
4. aircraft and other aerial devices or articles dropped therefrom
5. bursting, leaking or overflowing of water apparatus, pipes or fixed oil-fired heating apparatus (excluding damage caused thereto)
6. impact
7. malicious damage (as described in extension 23)
8. theft or attempted theft from:
 - (a) the private residence excluding theft whilst the building or any part thereof are left vacant or be lent, let or sub-let (provided that for the purpose hereof the accommodation of paying guests, boarders and lodgers not exceeding 3 (three) in number shall not be deemed to be lending, letting or sub-letting of the building) by the insured unless such theft is accompanied by visible, forcible and violent entry or exit
 - (b) any domestic outbuildings not directly communicating with the private residence limited to R10 000 (ten thousand rand) or the amount stated in the schedule whichever is the greater unless there is visible, forcible and violent entry or exit
 - (c) any furniture, storage depot, bank or safe deposit box
 - (d) any other occupied private residence
 - (e) any building in which the insured is temporarily residing

Householders

- (f) any building in which the insured is employed
 - (g) any other building provided there is visible, forcible and violent entry or exit
9. theft:
- (a) of laundry, garden and swimming pool furniture, garden maintenance equipment, automatic pool cleaning equipment, pool safety nets and pool coverings of a similar nature from the grounds of the dwelling up to R10 000 (ten thousand rand) any one claim
 - (b) in transit while being moved during a permanent change in the risk address
 - (c) while in transit to or from a furniture storage depot or a bank safe deposit
 - (d) or attempted theft while in transit in the insured's or authorised representative's custody to or from any place of purchase, repair or renovation following an accident to the conveying motor vehicle or theft following forcible and violent entry into the vehicle up to an amount of R10 000 (ten thousand rand) any one event.

Sub-section B: Rent

If the private residence becomes uninhabitable because of loss or damage caused by a peril as defined in sub-section A - Property the company will, for the period necessary for reinstatement, indemnify the insured for:

- (a) the actual rent for which the insured is liable as occupier of the private residence
- (b) any reasonable additional costs incurred in providing alternative board and lodging for the insured, his family and domestic staff normally residing with the insured
- (c) necessary transit and storage expenses in respect of furniture up to 25% (twenty five percent) of the sum insured.

Extensions

1. Audio visual equipment

This section covers accidental loss or damage to any television set, video recorder, decoder, DVD, sound reproduction equipment, excluding computer equipment, satellite dish or aerial whilst in or on the dwelling by accidental means other than mechanical, electronic or electrical breakdown.

2. Mirrors and glass

This section covers accidental breakage of mirror glass, plate glass tops of stoves and furniture or fixed glass forming part of any article of furniture (other than radio and television apparatus) whilst in the dwelling.

3. Guests

If household goods and personal effects excluding money and negotiable instruments not otherwise insured belonging to a guest temporarily residing with the insured are lost or damaged by any of the perils specified in 1 to 7 of sub-section A - Property or by theft from the private residence the company will indemnify the guest up to R10 000 (ten thousand rand) any one claim.

4. Domestic staff's property

This section covers loss of or damage to the household goods and personal effects excluding money and negotiable instruments belonging to domestic staff in the full time service of the insured by any of the perils specified in 1 to 9 of sub-section A - Property whilst such property is contained in the dwelling

Provided that:

- (a) loss or damage by theft is excluded unless such theft is accompanied by forcible and violent entry or exit into or out of the dwelling
- (b) the liability of the company shall not exceed R10 000 (ten thousand rand) any one occurrence.

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5. Domestic refrigerator, deep-freeze, cold store and freezing-room contents

This section covers deterioration of the contents only due to change of temperature resulting from accidental failure of electricity (excluding load shedding) as well as accidental or mechanical breakdown of any refrigerator, deep freezer, cold store or freezing-room in the dwelling of the insured

Provided that:

this extension does not include:

- (i) deterioration of the contents resulting from the deliberate cessation of the power supply (gas and paraffin included) by any authority
- (ii) damage to the refrigerator, deep-freezer, cold store or freezing-room as such

Provided further that:

- (i) the liability of the company in terms of this extension shall not exceed the amount of R7 500 (seven thousand five hundred rand) in respect of any one occurrence
- (ii) the company shall not be liable for the first R250 (two hundred and fifty rand) in respect of each and every event.

6. Keys and locks

This section covers the cost of replacing locks and keys including the remote and/or alarm controller and, if necessary, the reprogramming of such coded alarm system of the insured property following upon loss of or damage to the lock or key, remote or alarm controller, or upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key, remote and/or alarm controller.

This section also covers the reasonable expenses incurred in any emergency to call in a locksmith as a result of the loss of such key, remote and/or alarm controller

Provided that:

- (i) the liability of the company in respect of any one loss shall not exceed R10 000 (ten thousand rand)
- (ii) the company shall not be liable for the first R250 (two hundred and fifty rand) in respect of each and every event.

7. Documents

This section covers loss of or damage caused by the perils specified in 1 to 9 of sub-section A - Property to documents and manuscripts the property of the insured whilst in the private dwelling described in the schedule up to R10 000 (ten thousand rand) any one claim. The company shall only be liable for the value of materials and the cost in labour in reinstating the documents or obtaining duplicates and not for the value of the information contained therein.

8. Medical and veterinary expenses

This section covers medical and veterinary expenses incurred as a result of accidental bodily injury sustained by any:

- (a) person other than the insured caused by a domestic animal owned by the insured
- (b) guest or visitor arising from any defect in the dwelling
- (c) domestic staff in the course of their employment by the insured
- (d) domestic animal owned by the insured arising from a road accident

up to R10 000 (ten thousand rand) per person or R1 000 (one thousand rand) per animal any one occurrence.

9. Accidental death

In the event of accidental bodily injury to the insured or member of his family normally residing with the insured while in the dwelling or its grounds and die as a direct result of the injury the company will pay:

- (a) R7 500 (seven thousand five hundred rand) for a person 18 (eighteen) years of age and under
- (b) R10 000 (ten thousand rand) for a person over 18 (eighteen) and under 76 (seventy six) years of age

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provided death occurs within 12 (twelve) months of the injury.

10. Security guard

The company will indemnify the insured for costs reasonably and necessarily incurred in employing a security guard following loss or damage caused by a specified peril up to R10 000 (ten thousand rand) any one claim.

11. Domestic telephone instruments

If in the dwelling any domestic telephone instrument (excluding cellular telephone) is accidentally damaged the company will indemnify the insured up to R1 000 (one thousand rand) per instrument any one claim.

12. Trauma

If the insured or member of his family normally residing with the insured whilst on the insured premises is a victim of a violent act of theft, attempted theft, hold up, hijacking or fire which necessitates professional counselling the company will pay compensation up to R10 000 (ten thousand rand) per occurrence.

13. Loss of water by leakage

The company will indemnify the insured for the costs of water lost through leakage from pipes on the insured property where the insured is responsible to pay the charge for such water subject to the following:

- (a) in the event of the quarterly reading of water consumption exceeding the average of the last previous four quarterly readings by 50% (fifty percent) or more the company will indemnify the insured for the cost of such additional water consumed up to a limit of R7 500 (seven thousand five hundred rand)
- (b) up to R7 500 (seven thousand five hundred rand) shall be payable for not more than two separate incidents in any 12 (twelve) month period of insurance
- (c) it shall be a condition precedent to liability under this extension that the insured shall upon discovery of a leak (by physical evidence or on receipt of an abnormally high water account) take immediate steps to repair the pipe(s) affected
- (d) this extension does not cover the cost of remedial action including repairs to the pipe(s) affected
- (e) the company shall not be liable for claims:
 - (i) as a result of leaking taps, geysers, toilet systems and swimming pools
 - (ii) whilst the property is unoccupied for a period in excess of 30 (thirty) days
 - (iii) where the water level of a swimming pool has to be topped up as a result of a leaking inlet or outlet pipe.

14. Clearance costs

The company will indemnify the insured up to R10 000 (ten thousand rand) any one claim for costs necessarily incurred in respect of the removal of debris from the premises following loss of or damage hereby insured.

15. Transit

The company will indemnify the insured up to R10 000 (ten thousand rand) for damage to household goods in the insured's or his/her authorised representative's custody whilst in transit to or from any place of purchase, repair or renovation provided the damage is caused by fire, collision or overturning of the conveying motor vehicle including theft following the stated occurrences excluding theft cover as described in terms of sub-section A - Property 9(d).

16. Damage to the garden

The company will pay costs reasonably and necessarily incurred by the insured in his/her capacity as owner of the buildings for the replacement of trees, shrubs and plants situated at the dwelling following damage due to fire, fire fighting operations, explosion, impact or deliberate or wilful acts up to an amount of R5 000 (five thousand rand) excluding loss or damage caused by or arising from theft or attempted theft.

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17. Tenants liability

The company will pay all sums for which the insured is legally liable as tenant and occupier of any private residence for compensation in respect of:

- (a) physical loss of or damage to the buildings of the private residence (but only whilst the private residence is furnished and occupied) directly caused by any insured peril
- (b) physical breakage (but only whilst the private residence is furnished and occupied by the insured in his capacity as tenant) of:
 - (i) fixed glass in windows and mirrors against walls, doors, fan lights, roof windows, solar heating systems, greenhouses, conservatories and verandas, stove glass tops, fixed wash basins, baths, pedestals, sinks, lavatory pans, splash-backs and cisterns (but excluding chipping, scratching and other disfiguration) forming part of the private residence
 - (ii) physical damage to underground pipes and cables extending from the buildings of the private residence to the public mains or to underground fuel oil pipes

occurring during the period of insurance as a result of an accident

Provided that:

the amount payable in respect of any one accident or series of accidents arising out of one event will not exceed R5 000 000 (five million rand) inclusive of all compensation and all legal costs and all other costs and expenses.

18. Liability to the public

This extension covers:

- (a) all sums for which the insured is legally liable as a householder occupying the premises or any member of the insured's family normally residing with the insured for compensation in respect of:
 - (i) death of or bodily injury to or illness of any person
 - (ii) physical loss of or damage to tangible propertyoccurring during the period of insurance as a result of an accident
- (b) all legal costs and expenses:
 - (i) recovered by any claimant against the insured
 - (ii) incurred with the written consent of the companyin respect of a claim against the insured for compensation to which the indemnity expressed in this extension applies

Provided that:

the amount payable in respect of any one accident or series of accidents arising out of one event will not exceed R5 000 000 (five million rand) inclusive of all compensation and all legal costs and all other costs and expenses.

The indemnity provided by this extension does not apply to nor include:

- (a) liability assumed by the insured by agreement and which would not have attached in the absence of the agreement
- (b) liability in respect of death of or bodily injury to or illness of any person who is a member of the insured's household or family whether residing with the insured or not
- (c) liability in respect of death of or bodily injury to or illness of any person under a contract of service or apprenticeship with the insured if the liability is in respect of death, bodily injury or illness arising out of and in the course of the employment of the person by the insured
- (d) liability in respect of loss of or damage to property belonging to or in the charge of or under the control of the insured or of any member of the insured's family or household or of any servant or agent of the insured
- (e) liability in respect of death, bodily injury, illness, loss or damage caused by or in connection with or arising from:
 - (i) any profession or business of the insured

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- (ii) the ownership or possession or use by or on behalf of the insured of lifts or mechanically propelled vehicles or trailers other than pedestrian controlled gardening implements
 - (iii) deliberate or malicious acts
 - (iv) explosives
 - (f) liability in respect of:
 - (i) claims for compensation, legal costs and expenses for death, any injury, illness, loss or damage directly or indirectly caused by or by means of or as a result of or originating from or attributable to seepage, pollution or contamination provided always that this proviso shall not apply to claims for compensation and/or legal costs and expenses in respect of the accidental death of or bodily injury to or illness of any person or accidental physical loss of or damage to tangible property where such seepage, pollution or contamination is caused by a sudden unintended and unforeseen occurrence during the period of insurance
 - (ii) any costs of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence
- Provided that:
- this proviso shall not extend this sub-section to cover any liability which would have been insured under this sub-section in the absence of this proviso
- (g) claims for compensation and legal costs and expenses in respect of death, injury or illness attributable to a gradual working cause which did not occur from a sudden and identifiable accident or occurrence
 - (h) liability for fines or penalties or punitive, exemplary or vindictive damages awarded in any court
 - (i) costs and expenses incurred subsequent to the date on which the company has paid or offered to pay either the full amount of the claim or the total amount recoverable in respect of any occurrence.

19. Common law liability to domestic servants

This section covers:

- (a) all sums for which the insured is legally liable to pay for compensation in respect of death of, or bodily injury to or illness of any domestic servant arising out of and in the course of the period of such domestic servants employment with the insured in his/her capacity as a householder at the premises and occurring during the period of insurance as a result of an accident
- (b) all legal costs and expenses:
 - (i) recovered by any claimant against the insured
 - (ii) incurred with the written consent of the company

in respect of a claim against the insured for compensation to which the indemnity expressed in this contingency applies

Provided that:

the amount payable in respect of any one accident or series of accidents arising out of one event will not exceed R5 000 000 (five million rand) inclusive of all compensation and all legal costs and all other costs and expenses.

In addition and in connection with the employment of such domestic servants by the insured, the company will indemnify the insured against costs and expenses not exceeding R2 000 (two thousand rand) incurred by the insured with the consent of the company in the defence of any criminal action brought against the insured arising out of an alleged contravention of the Occupational Health and Safety Act no. 85 of 1993.

The indemnity expressed in this contingency does not apply to nor include:

- (a) liability assumed by agreement and which would not have attached in the absence of the agreement
- (b) costs and expenses incurred subsequent to the date on which the company has paid or offered to pay either the full amount of the claim or the total amount recoverable in respect of any occurrence.

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20. Discomfort cover

In the event of a total loss to the contents caused by any insured peril for which the company had indemnified the insured, an additional amount of R7 500 (seven thousand five hundred rand) will be paid to the insured for any discomfort suffered

Provided that:

the liability of the company is limited to a maximum amount of R7 500 (seven thousand five hundred rand) as a result of a total loss where both the building and contents has been insured.

21. Swimming pool machinery

This section covers sudden accidental loss of or damage to the swimming pool machinery and filtration equipment installed at the private dwelling house stated in the schedule the property of the insured as tenant and/or the insured as owner and occupier if the dwelling is insured elsewhere due to an obligation to a financial institution

Provided that:

the liability of the company is limited to the sum of R3 000 (three thousand rand) in respect of any one occurrence.

Specific exceptions applicable to swimming pool machinery

The company shall not be liable in respect of:

- (i) loss or damage directly or indirectly caused by rust, subsidence, landslip or the collapse of any building
- (ii) misapplication of tools or equipment, experiments, wilful overloading or the introduction of abnormal conditions
- (iii) damage arising out of hydraulic testing or which is discovered during routine examination
- (iv) damage as a result of faults or defects which were known to the insured or his responsible employees at the time of the acceptance of this insurance and not revealed to the company
- (v) repair or replacement:
 - (a) due to wearing away or wasting of the material of the plant, slowly developing deformation or distortion or other gradual deterioration of any part of the plant, failure of connections or joints, faulty design, workmanship or material
 - (b) of fuses or electrical contacts at which sparking or arcing occurs, heating elements, collecting brushes, trailing wires, valves, dies, springs, clutch plates, piston rings, gaskets, seals, exchangeable or expendable parts such as bits, drills, cutters, knives, blades, chains, belts, jointing or packing materials or fittings such as fusible plugs, shear pins, safety links and parts not made of metal (except insulation of electrical conductors) transformer oil or switch oil or refrigerant
- (vi) consequential loss or damage of any nature
- (vii) any claim provided for in terms of the guarantee or warranty issued by the manufacturer of the swimming pool machinery or provided for in terms of a service contract in respect of such swimming pool machinery
- (viii) the first R500 (five hundred rand) whichever is the greater of each and every claim.

22. Storage cost for contents after loss

This section covers necessary storage costs incurred by the insured to safeguard the contents after the occurrence of any peril specified in sub-section A - Property

Provided that:

the liability of the company in respect of this extension is limited to R5 000 (five thousand rand) in respect of any one occurrence.

23. Malicious damage

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

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

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

the said immovable property or any part thereof with the intention of stealing any part thereof

Provided that this contingency does not cover:

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

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

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

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

24. Temporary increase of sum insured

Contents sums insured stated in the schedule are increased by 10% (ten percent) from 15 December to 31 January annually.

25. Damage by wild baboons or wild monkeys or wild animals

This section is extended to include loss of or damage to the household goods insured inside the buildings of the private dwelling house(s), private garage(s), domestic outbuilding(s) or domestic apartment(s) situated at the risk address stated in the schedule, caused by wild baboons or wild monkeys or wild animals

Provided that:

- (a) wild baboons or wild monkeys or wild animals shall mean those that live freely in the natural surroundings and are not kept as pets or farm animals and does not include rodent, moth and vermin
- (b) the company's liability will not exceed R10 000 (ten thousand rand) in respect of any one occurrence
- (c) the insured will be responsible for the first R1 000 (one thousand rand) in respect of each and every claim.

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26. Subsidence and landslip (Limited cover)

- (a) This section is extended to include loss of or damage to the contents of the private residence caused by subsidence or heave of the land supporting the private residence or landslip provided such loss or damage is not caused by or does not arise from:
- (i) excavations other than mining excavations
 - (ii) alterations, additions or repairs to the private residence
 - (iii) the compaction of infill
 - (vi) defective design, materials or workmanship
 - (v) normal settlement, shrinkage or expansion of the private residence.
- (b) the insured will be responsible for the first R5 000 (five thousand rand) of each and every claim.

Specific exceptions

1. This section does not cover:

- (a) consequential loss or consequential damage of any kind whatsoever except as provided for by sub-section B - Rent
- (b) property more specifically insured or unless specifically mentioned, deeds, bonds, bills of exchange, promissory notes, money, cheques, securities for money, stamps, documents of any kind, manuscripts, medals, coins (other than money and negotiable instruments as per definition (i) up to R2 500) (two thousand five hundred rand), motor vehicles and accessories in or upon such vehicles, aerial devices and any part thereof, waterborne vessels and any part thereof (except model aeroplanes and model waterborne vessels), canoes and animals
- (c) any electronic data processing equipment not being used for domestic and/or farming business purposes only
- Provided that:
- (i) such electronic data processing equipment used for domestic and/or farming business purposes only will be subject to a first amount payable of R1 000 (one thousand rand) for each and every claim
 - (ii) the liability of the company on such electronic equipment used for farming business purposes will be limited to 10% (ten percent) of the sum insured with a maximum of R25 000 (twenty five thousand rand) any one occurrence.

Specific conditions

1. More than one dwelling

If the contents of more than one private residence are insured under separate items, the terms, conditions, limitations and exceptions contained herein shall apply separately to each item as if each had been insured under a separate policy.

2. More than 60 (sixty) days unoccupied

In the event of the aforesaid private residence being left unoccupied for more than 60 (sixty) days in any one period of insurance (or the number of days stated in the schedule whether consecutively or not during 365 (three hundred and sixty five) days after inception of the policy and thereafter with frequencies of 365 (three hundred and sixty five) days the insurance in respect of sub-section A - Property perils 8 and 9 shall, as regards loss or damage to the contents of the private residence, domestic apartments, garages and domestic outbuildings be entirely suspended in respect of any period or periods during which the private residence may be unoccupied in excess of the aforesaid period unless otherwise agreed by endorsement.

3. Replacement value

In the event of the property insured under this section being lost, destroyed or damaged, the basis upon which the amount payable under this section is to be calculated shall be the cost of replacing or reinstating property of the same kind or type but not superior to or more extensive than the insured property when

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new, subject to all the other terms and conditions of the policy except in so far as they may be varied hereby.

4. Underinsurance

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

5. Fire extinguishing charges

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

6. Inflation

The sum insured in respect of contents insured hereby will be increased automatically each month by a percentage commensurate with price indices.

No premium adjustment will be made until anniversary date when the premium will be calculated on the adjusted sum insured. This does not relieve the insured of his responsibility to ensure that the sums insured represent the full replacement value at all times.

7. Claim free groups

In the event of no claim arising under this section during a period of insurance (or term of insurance in the case of a monthly policy) specified below immediately preceding the renewal of the policy, the renewal premium (or renewal premiums for the term of insurance in the case of a monthly policy) for this section will be based on the relevant claim free groups as follows:

Period/term of insurance	Claim free group
less than one year.....	0
the preceding year.....	1
the preceding two consecutive years.....	2
the preceding three consecutive years.....	3
the preceding four consecutive years.....	4
the preceding five consecutive years.....	5
the preceding six consecutive years.....	6
the preceding seven consecutive years.....	7
the preceding eight consecutive years.....	8
the preceding nine or more consecutive years.....	9

However, should a claim arise during any period of insurance (or term of insurance in the case of a monthly policy) when claim free group 4, 5, 6, 7, 8 or 9 applies, the renewal premium for the subsequent period of insurance (or renewal premiums for the subsequent term of insurance in the case of a monthly policy) will be calculated on claim free group 2, 3, 4, 5, 6 or 7, respectively.

If more than one private residence is described in the schedule, the claim free group will apply as if a separate policy has been issued in respect of each private residence.

The claim free group will not be affected by any claim in respect of the following extensions 8 - Medical and veterinary expenses, 9 - Accidental death, 12 - Trauma treatment, 15 - Transit and 20 - Discomfort cover.

Unless the company consents to a transfer of interest in this policy the claim free group is not transferable.

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8. Compulsory first amount payable (Occupied premises)

The insured shall be liable for the first R1 000 (one thousand rand) of each and every claim in respect of perils 1 to 9 under sub-section A - Property.

9. Compulsory first amount payable (Unoccupied premises)

In the event of any contents of unoccupied premises insured under this section the insured shall be liable for the first R1 500 (one thousand five hundred rand)) of each and every claim in respect of perils 1 to 9 of sub-section A - Property.

10. Lightning conductors

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

11. Builder's risk

The following conditions are applicable whilst the buildings described in the schedule are under construction or subject to additions or alterations and until they are finally completed:

(a) the following perils under sub-section A - Property are cancelled:

5, 7, 8 and 9

(b) peril 3 under sub-section A - Property is cancelled and replaced by the following:

storm but excluding loss or damage:

- (i) caused by subsidence or landslip
- (ii) as a result of wear and tear or gradual deterioration
- (iii) to property in the open unless the property is designed to exist or operate in the open"

(c) peril 6 under sub-section A - Property is cancelled and replaced by the following:

impact with any of the buildings by any vehicle or animal except vehicles or animals belonging to, in the custody of, and/or under the control of any contractor or sub-contractor or any of their employees whilst engaged with:

- (i) the construction of or completion of the insured property
- (ii) architectural alterations and/or additions to and/or restoration to the insured property or the completion of such alterations, additions or restoration"

(d) the following extensions are cancelled:

- (i) Extension 1 - Audio visual equipment
- (ii) Extension 2 - Mirrors and glass
- (iii) Extension 5 - Domestic refrigerator, deep-freeze, cold store or freezing room contents
- (iv) Extension 6 - Keys and locks
- (v) Extension 7 - Documents
- (vi) Extension 8 - Medical and veterinary expenses
- (vii) Extension 17 - Tenants liability
- (viii) Extension 18 - Liability to the public

(e) Sub-section B - Rent is cancelled.

12. Platinum, gold and silver articles, jewellery, furs, photographic equipment and oriental carpets and rugs

The total value of platinum, gold and silver articles, jewellery, furs, photographic equipment and oriental carpets and rugs shall be deemed not to exceed one third of the sum insured in respect of contents stated in the schedule, unless specifically agreed herein.

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13. Security gates and burglar bars

It is a condition precedent to acceptance of liability in terms of sub-section A - Property, peril 8(a) and 8(b) that all external doors are fitted with security gates, and the opening portion of any external window must be protected by means of burglar bars unless stated otherwise in the schedule.

Endorsements applicable if so stated in the schedule

1. Unoccupied in excess of 60 (sixty) days

In consideration of the payment of an additional premium it is hereby declared and agreed that the insured dwelling described herein may be left unoccupied for the period stated in the schedule during any period of insurance, without the cover in respect of sub-section A perils 8 and 9 being suspended as provided for in Specific condition 2 of this section.

2. Refrigerator, deep-freeze, cold store and freezing-room cover

In consideration of the payment of an additional premium, extension 5 of this section is cancelled and replaced by the following:

"5. This section covers deterioration of the contents only due to the change in temperature resulting from accidental or mechanical breakdown of any refrigerator, deep-freeze, cold store or freezing-room in the dwellings and also accidental physical damage to the refrigerator, deep-freeze, cold store or freezing-room and the ensuing physical damage to the buildings and landlord's fixtures

Provided that:

this endorsement does not cover

- (i) loss or damage resulting from the deliberate cessation of the power supply (gas and paraffin included) by any authority
- (ii) loss or damage, other than deterioration of the contents, resulting from any mechanical breakdown of the said refrigerator, deep-freezer, cold store or freezing-room

Provided further that:

- (a) the liability of the company in terms of this endorsement shall not exceed the amount stated in the schedule
- (b) the insured shall be responsible for the first R350 (three hundred and fifty rand) or the amount stated in the schedule whichever is the greater in respect of each and every claim".

3. Subsidence and landslip

In consideration of the payment of an additional premium this section is extended to cover:

Damage caused by subsidence and landslip

Provided that:

the insured shall be responsible for the first R5 000 (five thousand rand) of each and every claim. This amount is payable in addition to any other first amount payable that may be applicable.

For the purposes hereof any damage shall be deemed to be damage caused by fire

Provided that:

this endorsement does not cover:

- (a) damage to drains, watercourses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured
- (b) damage caused by or attributable to:
 - (i) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
 - (ii) workmen engaged in making any structural alterations, additions, or repairs to any building situated at the insured premises
 - (iii) excavation on or under land other than excavations in the course of mining operations

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(c) consequential loss of any kind whatsoever except loss of rent.

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

4. Accidental damage

In consideration of the payment of an additional premium it is hereby declared and agreed that this section is extended to cover the following:

Accidental damage to the contents other than audiovisual equipment (as defined in extension 1 of this section of the policy), aerials and satellite dishes by accidental external means whilst in the buildings at the premises

Provided that:

(a) the company will not be liable in respect of:

- (i) breakage of glass or china including crockery
- (ii) damage arising from wear and tear, depreciation, mildew, rust, moth, vermin, insects, larvae, any process of cleaning, repairing, restoring or dyeing, gradual deterioration which includes the action of light, atmospheric or climatic conditions
- (iii) scratching, abrading, denting or chipping
- (iv) mechanical or electrical breakdown
- (v) damage to electronic data-processing equipment

Provided further that:

- (i) the liability of the company is limited to the amount per item stated in the schedule but shall not exceed R10 000 (ten thousand rand) per item any one occurrence
- (ii) the insured shall be responsible for the first 10% (ten percent) with a minimum of R350 (three hundred and fifty rand) in respect of each and every claim

(b) Specific condition 4 - Underinsurance shall not be applicable.

5. Earthquake

Notwithstanding anything to the contrary contained in sub-section A - Property peril 2 it is hereby declared and agreed that it is amended to read as follows:

earthquake excluding any loss or damage (except loss or damage by fire) arising from mining operations".

6. Stock-in-trade and equipment

In consideration of the payment of an additional premium it is hereby declared and agreed that this section is extended to cover the following:

Loss of or damage to stock in trade and equipment whilst inside the buildings as described in the schedule caused by an insured peril described under sub-section A - Property perils 1 to 9

Provided that:

- (a) the stock-in-trade must relate to the home industry described in the schedule and which the insured run from the premises stated in the schedule
- (b) any participant in the home industry described in the schedule and which the insured run from the said premises must be stated in the schedule.

7. Mechanical breakdown

In consideration of the payment of an additional premium it is hereby declared and agreed that this section is extended to cover the following:

Accidental mechanical or electrical breakdown of any electrical equipment whilst in the buildings on the premises as described in the schedule

Provided that:

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the company will not be liable in respect of:

- (a) damage arising from wear and tear, depreciation, mildew, rust, moth, vermin, insects, larvae, any process of cleaning, dyeing, repairing or restoring, gradual deterioration which includes the action of light atmospheric or climatic conditions
- (b) scratching, abrading, denting or chipping
- (c) damage arising from faulty or defective design materials or workmanship
- (d) damage arising from inherent vice or latent defect
- (e) damage arising from lack of maintenance
- (f) damage to computers, laptops and/or data processing equipment
- (g) damage to tools of any description including garden equipment and implements and automatic pool cleaning equipment
- (h) damage arising through any disregard of the manufacturer's instructions relating to the operation of any electrical equipment
- (i) damage for which provision is made in terms of the guarantee or warranty issued by the manufacturers of any electrical equipment

Provided that:

- (i) Specific condition 4 - Underinsurance shall not be applicable
- (ii) the liability of the company in respect of any one occurrence shall not exceed the amount per item as stated in the schedule
- (iii) the company shall not be liable for the first R500 (five hundred rand) in respect of each and every occurrence.

8. Riot and strike

In consideration of the payment of an additional premium and subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover damage directly occasioned by or through or in consequence of:

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

Provided that this extension does not cover:

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

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

9. Guesthouses (Accommodation and lodging)

In consideration of the payment of an additional premium it is hereby declared and agreed that subsection A - Property 8(a) is amended to read as follows:

- 8. theft or any attempt thereat, but excluding
 - (a) theft (or any attempt thereat) whilst the building(s) or any part thereof be lent, let or sublet by the insured unless such theft (or any attempt thereat) is accompanied by breaking into or out of the

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building(s) by visible, forcible and violent means. For the purpose of this sub-section 8(a) the accommodation of paying guests, visitors, boarders and lodgers who occupy a maximum of 4 (four) rooms, or the amount of rooms stated in the schedule whichever is the greater, in the building(s) shall not be deemed to be lending, letting or sub-letting of the building(s)

Provided that:

the insured shall be liable for an additional first amount payable of R250 (two hundred and fifty rand) in addition to the basic first amount payable (other than applicable to unoccupied premises) in respect of each and every claim as a result of theft (or any attempt thereat) which is not accompanied by breaking into or out of the building(s) by visible, forcible and violent means.

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Description of buildings referred to herein

The building(s) of the private dwelling house(s) and all private garages, domestic outbuildings and domestic apartments of which the situation is as stated in the schedule and constructed of brick, stone or concrete and roofed with slate, tiles, metal, concrete or asbestos unless otherwise stated in the schedule including walls, gates and machinery thereof, fences (other than hedges), spa baths, sauna rooms, jacuzzis, sunken swimming pools including the filtration equipment and spa, sauna, jacuzzi and swimming pool machinery (other than automatic pool cleaning equipment), pool safety nets and covers, tennis courts, squash courts, domestic water tanks and structures thereof, septic sewerage tanks, domestic borehole pumps and electrical motors and other domestic water supplying equipment (excluding windmills and its equipment), brick, tar or concrete driveways and patios on the same premises and used solely in connection therewith including landlord's fixtures and fittings therein or thereon.

Contingencies

Defined events

Sub-section A: Property

Loss or damage caused by any of the under mentioned perils to the buildings described in the schedule

1. fire, lightning, explosion
2. earthquake
3. storm, flood, wind, water, hail or snow, but excluding loss or damage:
 - (a) that arises from property undergoing any process necessarily involving the use or application of water
 - (b) as a result of wear and tear or gradual deterioration
 - (c) caused by subsidence or landslip
 - (i) to retaining walls
 - (ii) to gates and fences not constructed of stone, concrete, steel or brick.
4. aircraft and other aerial devices or articles dropped therefrom
5. the escape of water from washing machines or dishwashers and the bursting or overflowing of water tanks, water apparatus or water pipes including damage to the apparatus or pipes and the accidental leakage of oil from fixed oil heating installations
6. impact
7. theft/house breaking or any attempt thereat of landlord's fixtures and fittings in or on the buildings as defined, but excluding theft whilst the private dwelling and all private garages, domestic outbuildings and domestic apartments are left vacant or is lent, let or sub-let in whole or in part (provided that for the purpose hereof the accommodation of paying guests, boarders or lodgers not exceeding 3 (three) in number shall not be deemed to be lending, letting or sub-letting of the building) unless such theft is accompanied by visible, forcible and violent entry into or out of the buildings
8. malicious damage (as described in sub-section H).

Sub-section B: Damage to public supply or mains connections

This section covers accidental loss of or damages to water, sewerage, gas, electricity and telecommunication connections and other underground pipes the property of the insured or for which the insured is legally responsible between the described buildings and the public supply or mains.

Sub-section C: Loss of rent

This section covers loss of rent as a result of the private dwelling insured so damaged by any of the perils specified as to be rendered untenable but only for the period necessary for reinstatement and for an amount not exceeding 25% (twenty five percent) of the sum insured for which the aforementioned private dwelling is insured in terms of this section. The basis of calculation shall be the annual rent of the aforementioned private dwelling unfurnished or its equivalent in rental value.

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Sub-section D: Property owner's liability

This section covers:

- (a) all sums for which the insured is legally liable as owner (and not as a private householder occupying the building) of the premises for compensation in respect of:
 - (i) death of or bodily injury to or illness of any person
 - (ii) physical loss of or physical damage to tangible property occurring during the period of insurance as a result of an accident.
- (b) all legal costs and expenses:
 - (i) recovered by any claimant against the insured
 - (ii) incurred with the written consent of the companyin respect of a claim against the insured for compensation to which the indemnity expressed in this sub-section applies

Provided that:

the amount payable in respect of any one accident or series of accidents arising out of one event will not exceed R5 000 000 (five million rand) inclusive of all compensation and all legal costs and all other costs and expenses.

The indemnity provided by this sub-section does not apply to nor include the following:

- (a) liability assumed by the insured by agreement and which would not have attached in the absence of the agreement
- (b) liability in respect of death of or bodily injury to or illness of any person who is a member of the insured's household or family whether residing with the insured or not
- (c) liability in respect of death of or bodily injury to or illness of any person under a contract of service or apprenticeship with the insured if the liability is in respect of death, bodily injury or illness arising out of and in the course of the employment of the person by the insured
- (d) liability in respect of loss of or damage to property belonging to or in the charge or under the control of the insured or of any servant or agent of the insured or of a member of his family or household
- (e) liability in respect of death, bodily injury, illness, loss or damage caused by or in connection with or arising from:
 - (i) any profession or business of the insured
 - (ii) the ownership or possession or use by or on behalf of the insured of lifts or mechanically propelled vehicles or trailers other than pedestrian controlled gardening implements
 - (iii) deliberate or malicious acts
 - (iv) explosives
- (f) any fines or penalties or punitive, exemplary or vindictive damages

Provided that:

this proviso shall not extend this section to cover any liability which would have been insured under this section in the absence of this proviso

- (g) liability in respect of:
 - (i) claims for compensation, legal costs and expenses for death, any injury, illness, loss or damage directly or indirectly caused by or by means of or as a result of or originating from or attributable to seepage, pollution or contamination provided always that this proviso shall not apply to claims for compensation and/or legal costs and expenses in respect of the accidental death of or bodily injury to or illness of any person or accidental physical loss of or damage to tangible property where such seepage, pollution or contamination is caused by a sudden unintended and unforeseen occurrence during the period of insurance
 - (ii) any costs of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence

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Provided that:

this proviso shall not extend this sub-section to cover any liability which would have been insured under this sub-section in the absence of this proviso

- (h) claims for compensation and legal costs and expenses in respect of death, injury or illness attributable to a gradual working cause which did not occur from a sudden and identifiable accident or occurrence
- (i) costs and expenses incurred subsequent to the date on which the company has paid or offered to pay either the full amount of the claim or the total amount recoverable in respect of any occurrence.

Sub-section E: Accidental breakage of glass and sanitary ware

This section covers accidental breakage (but only whilst the private dwelling be furnished and occupied) of fixed glass and mirrors against walls and in windows, doors, fan lights, roof windows, solar heating systems, greenhouses, conservatories and veranda's, stove glass tops, fixed wash basins, baths, pedestals, sinks, lavatory pans, splash backs and cisterns (but excluding chipping, scratching and other disfiguration) forming part of the building.

Sub-section F: Aerials and satellite dishes

This section covers damage to aerials and satellite dishes caused by breakage or collapse thereof.

Sub-section G: Accidental damage to machinery for domestic use

This section covers sudden accidental loss of or damage (excluding wear and tear) to fixed machinery, for domestic use only, of swimming pools (excluding automatic pool cleaners), jacuzzi's, boreholes (excluding windmills), spray irrigation systems, filtration equipment, air conditioners, alarm systems and gate and garage door motors installed at the private dwelling of the insured

Provided that:

the liability of the company is limited to R10 000 (ten thousand rand) or the amount stated in the schedule whichever is the greater in respect of any one occurrence.

Specific exceptions applicable to sub-section G

The company shall not be liable in respect of:

- (i) loss or damage directly or indirectly caused by rust, subsidence, landslip or the collapse of any building
- (ii) misapplication of tools or equipment, experiments, willful overloading or the introduction of abnormal conditions
- (iii) damage arising out of hydraulic testing or which is discovered during routine examination
- (iv) damage as a result of faults or defects which were known to the insured or his responsible employees at the time of the acceptance of this insurance and not revealed to the company
- (v) repair or replacement:
 - (a) due to wearing away or wasting of the material of the plant, slowly developing deformation or distortion or other gradual deterioration of any part of the plant, failure of connections or joints, faulty design, workmanship or material
 - (b) of fuses or electrical contacts at which sparking or arcing occurs, heating elements, collecting brushes, trailing wires, valves, dies, springs, clutch plates, piston rings, gaskets, seals, exchangeable or expendable parts such as bits, drills, cutters, knives, blades, chains, belts, jointing or packing materials or fittings such as fusible plugs, shear pins, safety links and parts not made of metal (except insulation of electrical conductors) transformer oil or switch oil or refrigerant
- (vi) consequential loss or damage of any nature
- (vii) any claim provided for in terms of the guarantee or warranty issued by the manufacturer of the aforementioned machinery or provided for in terms of a service contract in respect of such machinery
- (viii) the first R500 (five hundred rand) of each and every claim.

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Sub-section H: Malicious damage

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained herein this section is extended to cover loss or damage directly occasioned by or through or in consequence of the deliberate or willful or wanton act of any person committed with the intention of causing such loss or damage other than loss of or damage to:

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

Provided that this sub-section does not cover:

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

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

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

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

Specific conditions, clauses and extensions

1. Reinstatement value

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

Provided that:

- (a) the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch (and in any case must be completed within 12 (twelve) months after the destruction or damage or within such further time as the company may (during the said 12 (twelve) months) in writing allow), otherwise no payment, beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein, shall be made
- (b) until expenditure has been incurred by the insured in replacing or reinstating the property, the company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein

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- (c) if, at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the property had been damaged exceeds the sum insured thereon at the commencement of any damage to such property by a defined event, then the insured shall be considered as being their own insurer for the excess and shall bear a rateable share of the loss accordingly. Each item of this section, if more than one, to which these conditions apply shall be separately subject to this provision
- (d) these conditions shall be without force or effect if:
- (i) the insured fails to intimate to the company within 6 (six) months of the date of damage or such further time as the company may in writing allow, their intention to replace or reinstate the property
 - (ii) the insured is unable or unwilling to replace or reinstate the property on the same or another site.

2. Rebuilding costs

The insurance under this section covers costs necessarily incurred by the insured in respect of the following as a result of loss or damage caused by any of the insured events:

- (a) architects', surveyors', consulting engineers' and other fees approved by the company
- (b) demolition, debris removal or the erection of pavement hoardings during rebuilding operations
- (c) costs to comply with building regulations framed in accordance with any act of parliament or by ordinance of any municipal or other local authority

Provided that:

the liability of the company in respect of these costs payable in addition to any other payment for which the company may be liable in terms of this section will not exceed 20% (twenty percent) of the sum insured.

3. Capital additions

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property for an amount not exceeding 15% (fifteen percent) of the sum insured thereon, it being understood that the insured undertake to advise the company as soon as possible of such alterations, additions and improvements and to pay the appropriate additional premiums thereon.

4. Costs of removal of fallen trees

The insurance under this section covers costs reasonably and necessarily incurred in removing trees or parts of trees from the dwelling(s) or premises as described in the schedule that have fallen following an Defined event as defined under sub-section A - Property or leaning trees that are in danger of causing damage to insured property

Provided that:

- (a) the company's liability will not exceed R7 500 (seven thousand five hundred rand any one occurrence
- (b) such costs will be subject to the company's prior written consent
- (c) the insured will be responsible for the first R500 (five hundred rand) in respect of any one occurrence.

5. Mortgagee

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

6. Fire extinguishing charges

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

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7. Public authority's requirements

The insurance under this section includes such additional cost of repairing or rebuilding the damaged property incurred solely by reason of the necessity to comply with building or other regulations under, or framed in pursuance of any act of parliament or ordinance of any provincial, municipal or other local authority

Provided that:

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

8. Tenants

The company's liability to the insured shall not be affected by any act or omission on the part of any owner of a building or any tenant (other than the insured) without the insured's knowledge.

The insured shall, however, inform the company as soon as any such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the company.

9. Workmen

Contractors may be working in or on any of the within described buildings without prejudice to this insurance.

10. Underinsurance

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

11. Inflation

The sum insured in respect of buildings insured hereby will be increased automatically each month by a percentage commensurate with price indices.

No premium adjustment will be made until anniversary date when the premium will be calculated on the adjusted sum insured. This does not relieve the insured of his/her responsibility to ensure that the sums insured represent the full replacement value of the **property at all times**.

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12. Compulsory first amount payable (Premises in use)

The insured shall be liable for the first R1 000 (one thousand rand) of each and every claim in respect of the perils described in sub-section A - Property.

13. Compulsory first amount payable (Premises not in use)

In the event of any property hereby insured not being used as a permanent residence and not being occupied as such the insured shall be liable for the first R1 500 (one thousand five hundred rand) in respect of each and every occurrence giving rise to a claim in respect of sub-section A - Property (of which the cause arose whilst such property was unoccupied).

14. Builder's risk

1. Under construction

The following conditions are applicable whilst the property described in the schedule is under construction and until it is finally completed, this section will be deemed to read as follows:

(a) the following perils of sub-section A - Property are cancelled:

5, 7 and 8

(b) peril 3 is cancelled and replaced by the following:

"3. storm but excluding loss or damage:

- (i) caused by subsidence or landslip
- (ii) as a result of wear and tear or gradual deterioration
- (iii) to all fences and gates
- (iv) to retaining walls"

(c) peril 6 is cancelled and replaced by the following:

"6. impact with any of the buildings by any vehicle or animal except vehicles or animals belonging to, in the custody of, and/or under the control of any contractor or sub-contractor or any of their employees whilst engaged with

- (i) the construction of or completion of the insured property
- (ii) architectural alterations and/or additions to and/or restoration to the insured property or the completion of such alterations, additions or restoration"

(d) Sub-section B - Damage to public supply or mains connections is cancelled

(e) Sub-section C - Loss of rent is cancelled

(f) Sub-section D - Property owner's liability is cancelled

(g) Sub-section E - Accidental breakage of glass and sanitary ware is cancelled

(h) Sub-section F - Aerials and satellite dishes is cancelled

(i) Sub-section G - Accidental damage to machinery for domestic use is cancelled

2. Additions and/or alterations

The following conditions are applicable whilst the property described in the schedule is subject to additions and/or alterations until it is finally completed, but only in respect of a claim arising out of or caused by or attributable solely to such additions and/or alterations:

The following sub sections are cancelled:

(a) Sub-section C - Loss of rent

(b) Sub-section D - Property owner's liability

(c) Sub-section E - Accidental breakage of glass and sanitary ware.

15. Lightning conductors

It is a condition precedent to liability in terms of this section that all buildings with grass, straw or thatched roofs be supplied with and property fitted with an SABS-approved lightning conductor or lightning

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conductors of a similar or superior standard which is installed with the exclusive purpose of conducting lightning away from the said building unless stated otherwise in the schedule.

16. Domestic borehole pumps and electrical motors (Excluding windmills and its equipment)

The insured is liable for the first R500 (five hundred rand) of each and every claim in respect of any damage to or loss of any domestic borehole pump and/or electrical motor and electrical switchgear thereof (excluding windmills and its equipment) caused by any of the perils as referred to in sub-section A - Property. This amount is payable in addition to any other first amount payable that may be applicable.

17. Discomfort cover

In the event of a total loss of the premises caused by any insured peril for which the company had indemnified the insured, an additional amount of R7 500 (seven thousand five hundred rand) will be paid to the insured for any discomfort suffered

Provided that:

the liability of the company is limited to a maximum amount of R7 500 (seven thousand five hundred rand) as a result of a total loss where both buildings and contents has been insured.

18. Security guards

The company will indemnify the insured for costs reasonably and necessarily incurred in employing security guards following loss of or damage to any insured building(s) caused by an insured event

Provided that:

the company's liability will not exceed R10 000 (ten thousand rand) in respect of any one occurrence.

19. Loss of water by leakage

The company will indemnify the insured for costs of water lost through leakage from pipes on the insured's property where the insured are responsible to pay the charge for such water subject to the following:

- (a) in the event of the quarterly reading of water consumption exceeding the average of the last previous 4 (four) quarterly readings by 50% (fifty percent) or more the company will indemnify the insured for the cost of such additional water consumed up to a limit of R7 500 (seven thousand five hundred rand)
- (b) up to R7 500 (seven thousand five hundred rand) shall be payable for not more than two separate incidents in any 12 (twelve) month period of insurance
- (c) it shall be a condition precedent to liability under this extension that the insured shall upon discovery of a leak (by physical evidence or on receipt of an abnormally high water account) take immediate steps to repair the pipe(s) affected
- (d) this extension does not cover the cost of remedial action including repairs to pipe(s) affected
- (e) the company shall not be liable for claims:
 - (i) as a result of leaking taps, geysers, toilet systems and swimming pools
 - (ii) whilst the property is unoccupied for a period in excess of 30 (thirty) days
 - (iii) where the water level of a swimming pool has to be topped up as a result of a leaking inlet or outlet pipe.

20. Damage to garden

Costs reasonably and necessarily incurred by the insured in the insured's capacity as owner of the buildings for the replacement of trees, shrubs and plants and water features situated at the premises following damage due to any insured peril as defined under sub-section A - Property

Provided that:

- (a) the company's liability will not exceed R10 000 (ten thousand rand) in respect of any one occurrence
- (b) the insured will be responsible for the first R500 (five hundred rand) in respect of any one occurrence.

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21. Subsidence and landslip (Limited cover)

- (a) This section is extended to include loss of or damage to the private residence caused by subsidence or heave of the land supporting the private residence or landslip provided such loss or damage is not caused by or does not arise from:
- (i) excavations other than mining excavations
 - (ii) alterations, additions or repairs to the private residence
 - (iii) the compaction of infill
 - (vi) defective design, materials or workmanship
 - (v) normal settlement, shrinkage or expansion of the private residence.
- (b) the company will not be liable for loss or damage to:
- (i) solid floor slabs or any other part of the private residence resulting from the movement of such slabs, unless the foundations supporting the external walls of the private residence or outbuildings are damaged by the same cause at the same time
 - (ii) swimming pools, tennis courts, patios, terraces, driveways, paths, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences unless the private residence or outbuildings are damaged by the same cause at the same time
- (c) the company will not be liable for work necessary to prevent further loss or damage due to subsidence, heave or landslip except where appropriate design precautions were implemented during the original construction of the private residence and any subsequent additions thereto
- (d) the insured will be responsible for the first R5 000 (five thousand rand) of each and every claim.

22. Temporary repairs and measures after a loss

This section is extended to include all reasonable costs and/or expenses incurred by the insured in effecting such temporary repairs and by taking such temporary measures as may be reasonably necessary after a defined event

Provided that:

the liability of the company for such costs and/or expenses shall not exceed R10 000 (ten thousand rand) in respect of any one event.

23. Keys and locks

This section covers the cost of replacing locks and keys including the remote and/or alarm controller and, if necessary, the reprogramming of such coded alarm system of the insured property following upon loss of or damage to the lock or key, remote or alarm controller, or upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key, remote and/or alarm controller.

This section also covers the reasonable expenses incurred in any emergency to call in a locksmith as a result of the loss of such key, remote and/or alarm controller

Provided that:

- (i) the liability of the company in respect of any one loss shall not exceed R10 000 (ten thousand rand)
- (ii) the company shall not be liable for the first R250 (two hundred and fifty rand) in respect of each and every event.

24. Damage by wild baboons or wild monkeys or wild animals

This section is extended to include loss of or damage to the private dwelling house(s), private garage(s), domestic outbuilding(s) or domestic apartment(s) situated on the premises at the risk address stated in the schedule, caused by wild baboons or wild monkeys or wild animals

Provided that:

- (a) wild baboons or wild monkeys or wild animals shall mean those that live freely in the natural surroundings and are not kept as pets or farm animals and does not include rodent, moth and vermin
- (b) the company's liability will not exceed R10 000 (ten thousand rand) in respect of any one occurrence

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- (c) the insured will be responsible for the first R1 000 (one thousand rand) in respect of each and every claim.

25. Mobility

In the event of bodily injury, caused by a violent act of theft, attempted theft, hold up, hijacking or fire, to the insured or member of his family normally residing with the insured, while in the dwelling or its ground and as a direct result of the incident permanently dependent on a wheelchair for mobility, the company will pay the insured for costs reasonably and necessarily incurred for:

- (i) a self propelled wheelchair and/or
- (ii) alterations to the insured private residence at the risk address stated in the schedule, to facilitate the use of such wheelchair

Provided that:

- (a) the company's liability will not exceed R15 000 (fifteen thousand rand) in respect of any one occurrence
- (b) the liability of the company in respect of any one loss shall not exceed R15 000 (fifteen thousand rand) where this extension is available under any other sections of the policy.

Specific exceptions

This section does not cover:

- (a) consequential loss or consequential damage of any kind whatsoever except in the case of loss of rent as provided for in this section
- (b) any loss or damage as a result of structural defects, faulty design, defective workmanship, lack of maintenance, normal wear and tear, corrosion, inherent vice and latent defect
- (c) loss of or damage caused by sub-section A - Property peril 3 to domestic borehole pumps and electrical motors (as described in the Operative clause) which are situated below the normal flood levels.

Endorsements applicable if so stated in the schedule

1. Earthquake

Notwithstanding anything to the contrary contained in sub-section A - Property peril 2 it is hereby declared and agreed that it is amended to read as follows:

earthquake excluding any loss or damage (except loss or damage by fire) arising from mining operations."

2. Riot and strike

In consideration of the payment of an additional premium and subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover damage directly occasioned by or through or in consequence of:

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

Provided that this extension does not cover:

- (a) loss or damage occurring in the Republic of South Africa and Namibia
- (b) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured
- (c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation
- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority

Houseowners

- (e) loss or damage related to or caused by any occurrence referred to in General exception 1 (A), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

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

3. Mechanical breakdown (Electrical stoves only)

In consideration of the payment of an additional premium it is hereby declared and agreed that this section is extended to cover the following:

Accidental mechanical or electrical breakdown of any electrical stove whilst in the buildings on the premises as described in the schedule

Provided that:

the company will not be liable in respect of:

- (a) damage arising from wear and tear, depreciation, mildew, rust, moth, vermin, insects, larvae, any process of cleaning, dyeing, repairing or restoring gradual deterioration which includes the action of light, atmospheric or climatic conditions
- (b) scratching, abrading, denting or chipping
- (c) damage arising from faulty or defective design materials or workmanship
- (d) damage arising from inherent vice or latent defect
- (e) damage arising from lack of maintenance
- (f) damage arising through any disregard of the manufacturer's instructions relating to the operation of any electrical stove
- (g) damage for which provision is made in terms of the guarantee or warranty issued by the manufacturers of any electrical stove

Provided that:

- (i) Specific condition 10 - Underinsurance shall not be applicable
- (ii) the liability of the company in respect of any one occurrence shall not exceed the amount per item as stated in the schedule
- (iii) the company shall not be liable for the first R500 (five hundred rand) in respect of each and every occurrence.

4. Special replacement of geysers

In consideration of the payment of an additional premium the company agrees that in event of a total loss of a geyser caused by an insured peril under this section, a conventional geyser may be replaced by a heat pump, solar or gas geyser

Provided that:

- (a) the liability of the company in terms of this extension shall not exceed the amount stated in the schedule
- (b) the company shall not be liable for the first R1 000 (one thousand rand) in respect of each and every claim.

If the cost of replacing the geyser is of greater value than the sum insured thereon at the time of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly.

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

5. Subsidence and landslip

In consideration of the payment of an additional premium this section is extended to cover:

Damage caused by subsidence and landslip

Provided that:

Houseowners

the insured shall be responsible for the first R5 000 (five thousand rand) of each and every claim. This amount is payable in addition to any other first amount payable that may be applicable.

For the purposes hereof any damage shall be deemed to be damage caused by fire

Provided that:

this endorsement does not cover:

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

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

Loss of Profits (Machinery)

Definitions

1 "Accident"

Unforeseen and sudden physical damage to the machinery described in schedule II from any cause provided for by the machinery breakdown insurance.

2 "Gross profit" (difference basis) insured under item 1 of schedule I.

The amount by which the sum of the turnover and closing stock exceeds the sum of the opening stock and the uninsured working expenses specified in schedule I.

3 "Gross profit" (specified standing charges basis) insured under item 2 of schedule I.

The sum produced by adding to the net profit the amount of the insured standing charges or if there is no net profit the amount of the insured standing charges less such a proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.

4 "Gross profit" (all standing charges basis) insured under item 3 of schedule I.

The sum produced by adding to the net profit the amount of all the standing charges of the business or if there is no net profit the amount of all the standing charges less the amount of any net trading loss. For the purpose of this insurance depreciation of buildings plant machinery (other than machinery damaged in the accident) fixtures and fittings shall inter alia be deemed to be standing charges.

5 "Net profit"

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

6 "Revenue"

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

7 "Indemnity period"

The period during which the results of the business are affected in consequence of the accident beginning the number of hours/days stated in column C of schedule H after the occurrence of the accident and ending not later than the expiry of the period shown in column D of schedule II after the occurrence.

8 "Turnover"

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

9 "Rate of gross profit"

The rate of gross profit to turnover during the financial year immediately before the date of the accident.

10 "Rate of wages"

The rate of wages to turnover during the financial year immediately before the date of the accident

11 "Annual turnover"

The turnover during the twelve months immediately before the date of the accident

12 "Standard turnover"

to which such adjustments will be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the accident or which would have affected the business had the damage not occurred so that the figure thus adjusted will represent as nearly as may be reasonably practicable the results which but for the accident would have been obtained during the relative period after the accident.

Loss of Profits (Machinery)

The turnover during the period corresponding with the indemnity period in the twelve months immediately before the date of the accident

13 “Annual revenue”

The revenue during the twelve months immediately before the date of the accident

14 “Standard revenue”

The revenue during the period corresponding with the indemnity period in the twelve months immediately before the date of the accident

15 “Shortage in turnover”

The amount by which the turnover during the specified portion of the indemnity period shall be in consequence of the accident fall short of that part of the standard turnover which relates thereto.

16 “The premises”

All premises owned used or occupied by the insured for the purposes of the business

Insured events

Accident to machinery specified in schedule II and used by the insured at the premises for the purpose of the business resulting in interruption or interference with the business provided that payment shall have been made or liability admitted for accident under the machinery breakdown insurance except in so far as a proviso may operate to exclude losses below a specified amount.

Special exclusion - additions alterations improvements

The company will not be liable for loss resulting from interruption or interference with the business due to additions alterations or improvements being effected to the damaged item on the occasion of its repair.

Special conditions

1 Action in event of an accident

When an accident occurs in consequence of which a claim may be made under this insurance the insured – in addition to complying with the general conditions shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss and if a claim is made under this insurance will not later than thirty days after the expiry of the indemnity period or within such further time as the company will allow at their own expense deliver to the company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under this insurance will be payable unless this specific condition has been complied with and in the event of non-compliance therewith in any respect any payment an account of the claim already made will be repaid to the company forthwith

2 Standby machinery

Any item of machinery insured by this policy against which the word “Standby” appears in schedule II shall be maintained as standby available for immediate use in the event of the failure of the machinery to which it is standby. Should the standby position change the insured shall give notice as soon as possible to the company and pay the applicable additional premium, calculated from the date that the item of machinery ceased to be standby.

Loss of Profits (Machinery)

Basis of loss settlement

1 Gross profit (difference basis)

The insurance under item 1 of schedule I is limited to loss of gross profit due to reduction in turnover and increase in cost of working and the amount payable thereunder will be

(a) for reduction in turnover

the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall in consequence of the accident fall short of the standard turnover

(b) for increase in cost of working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity period in consequence of the accident but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

less any sum saved during the indemnity period for such charges and expenses of the business payable out of gross profit as may cease or be reduced in consequence of the accident provided that if the sum insured by this item is less than the sum produced by applying the rate of gross profit to the annual turnover (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

2 Gross profit (specified standing charges basis)

The insurance under item 2 of schedule I is limited to loss of gross profit due to reduction in turnover and increase in cost of working and the amount payable as indemnity thereunder will be

(a) for reduction in turnover

the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall in consequence of the accident fall short of the standard turnover

(b) for increase in cost of working

the additional expenditure (subject to proviso 2(d)) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for the expenditure would have taken place during the indemnity period in consequence of the accident but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

less any sum saved during the indemnity period for such of the insured standing charges as may cease or be reduced in consequence of the accident provided that

(a) if the sum insured by this item is less than the sum produced by applying the rate of gross profit to the annual turnover (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced

(b) if any standing charges of the business are not insured only such proportion of the additional expenditure as the sum of the net profit and the insured standing charges bears to the sum of the net profit and all standing charges shall be brought into account when calculating the amount recoverable hereunder.

3 Gross profit (all standing charges basis)

The insurance under item 3 of schedule I is limited to the gross profit due to reduction in turnover and increase in cost of working and the amount payable as indemnity thereunder shall be

(a) for reduction in turnover

the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall in consequence of the accident fall short of the standard turnover

(b) for increase in cost of working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity period in consequence of the accident but not exceeding the sum produced by applying

Loss of Profits (Machinery)

the rate of gross profit to the amount of the reduction thereby avoided less any sum saved during the indemnity period in respect of any standing or other charges which may cease or be reduced in consequence of the accident provided that if the sum insured by this item be less than the sum produced by applying the rate of gross profit to the annual turnover (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

4 Revenue

The insurance under item 4 of schedule I is limited to loss due to reduction in revenue and increase in cost of working and the amount payable as indemnity hereunder will be

(a) for reduction in revenue

the amount by which the revenue during the indemnity period shall in consequence of the accident fall short of the standard revenue

(b) for increase in cost of working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in revenue which but for that expenditure would have taken place during the indemnity period in consequence of the accident but not exceeding the amount of the reduction thereby avoided

less any sum saved during the indemnity period for such charges and expenses of the business payable out of revenue as may cease or be reduced in consequence of the accident provided that if the sum insured by this item is less than the annual revenue (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

5 Wages (dual basis)

The insurance under item 5 of schedule I is limited to loss in respect of wages and the amount payable thereunder will be

(a) for reduction in turnover

- (i) during the portion of the indemnity period beginning with the number of hours/days stated in column C of schedule II after the occurrence of the accident and ending not later thereafter than the specified number of weeks in schedule I - the sum produced by applying the rate of wages to the shortage in turnover less any saving through reduction in the amount of wages paid in consequence of the accident
- (ii) during the remaining portion of the indemnity period - the sum produced by applying the rate of wages to the shortage in turnover less any saving through reduction in consequence of the accident in the amount of wages paid but not exceeding the sum produced by applying the specified percentage of the rate of wages to the shortage in turnover during the said remaining portion of the indemnity period increased by such amount as is deducted for savings in terms of paragraph 5(a)(i) above.

Note At the option of the insured the provisions of paragraph 5(a)(i) may apply for the specified extended period provided that the amount arrived at under the provisions of 5(a)(ii) shall then not exceed the amount deducted under paragraph 5(a)(i) for savings effected during the said extended period.

(b) for increase in cost of working

so much of the additional expenditure described in paragraph 1(b) or 2(b) or 3(b) of items 1 or 2 or 3 of schedule I as exceeds the amount payable thereunder but not more than the additional amount which would have been payable for reduction in turnover under the provisions of paragraphs 5(a)(i) and 5(a)(ii) of this item had such expenditure not been incurred

provided that if the sum insured by this item is less than the sum produced by applying the rate of wages to the annual turnover (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

Loss of Profits (Machinery)

6 Wages (number of weeks basis)

The insurance by item 6 of schedule I is limited to the loss incurred by the insured by the payment of wages for a period beginning with the number of weeks/days stated in column C of schedule II after the occurrence of the accident and ending not later thereafter than the number of weeks specified in schedule I. The amount payable as indemnity under this item will be the actual amount which the insured shall pay as wages for such period to employees whose services cannot in consequence of the accident be utilised by the insured at all and an equitable part of the wages paid for such period to employees whose services cannot in consequence of the accident be utilised by the insured to the full provided that if the sum insured by this item is less than the aggregate amount of wages that would have been paid during the specified number of weeks immediately following the accident had the accident not occurred the amount payable will be proportionately reduced .

7 Additional expenditure

The insurance under item no 7 of schedule I is limited to additional expenditure (in excess of that recoverable under other items) necessarily and reasonably incurred by the insured in consequence of the accident in order to minimize interruption of or interference with the business during the indemnity period.

Memo

Other premises

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

Clauses

Only apply when indicated in the schedule

(a) Accountant/auditor

Any particulars or details contained in the insured's books of account or other business books or documents which may be required by the company for the purpose of investigating or verifying any claims under this insurance may be produced and certified by the insured's own accountants and/or auditors and their certificate will be prima facie evidence of the particulars and details which such certificate relates.

(b) Accumulation of stocks

In adjusting any loss account will be taken and an equitable allowance made if any shortage in turnover due to the accident is postponed by reason of the turnover being temporarily maintained from accumulated stocks.

(c) Department/branches

If the business be conducted in departments/branches the independent trading results of which are ascertainable the provisions of paragraphs 1(a) 1(b) 2(a) 2(b) 3(a) 3(b) 4(a) 4(b) 5(a) and 5(b) will apply separately to each department/branch whose results are affected by the accident provided that if the respective sums insured are less than the aggregate of the sums produced by applying the rate of gross profit revenue or the rate of wages (as the case may be) for each department/branch of the business (whether its results are affected by the accident or not) to the relative

annual turnover thereof (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

(d) Alternative basis of loss settlement

The term "output" may be substituted for the term "turnover" and for the purpose of this insurance "output" shall mean "the sale value of goods manufactured by the insured in the course of the business at the premises"

Loss of Profits (Machinery)

provided that

- (i) only one such meaning shall be operative in connection with any accident
- (ii) if the meaning set out above be adopted
 - (a) clause (b) "Accumulation of stocks" shall be of no effect
 - (b) the "Other premises" memo shall read as follows "if during the indemnity period goods shall be manufactured or services rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on their behalf the sale value of goods so manufactured or services rendered shall be brought into account in arriving at the output during the indemnity period".

(e) New business clause

For the purpose of assessing any loss sustained as the result of an accident occurring before the completion of the first year's trading the terms "rate of gross profit" "rate of wages" "annual turnover" "standard turnover" "annual revenue" and "standard revenue" shall bear the following meanings

- (i) Rate of gross profit
The rate of gross profit earned on the turnover during the three months immediately before the date of the accident.
- (ii) Rate of wages
The rate of wages to turnover during the three months immediately before the date of the accident.
- (iii) Annual turnover
Twelve times the average monthly turnover for the three months immediately before the date of the accident.
- (iv) Standard turnover
The turnover which would have been achieved during the indemnity period if the average turnover during the three months immediately before the date of the accident had been maintained.
- (v) Annual revenue
The average revenue earned during the three months immediately before the date of the accident.
- (vi) Standard revenue
The revenue which would have been earned during the indemnity period if the average revenue during the three months immediately before the date of the accident had been maintained.

(f) Payments on account

Payments on account of insured losses may be made if desired.

(g) Reinstatement of sum insured

Notwithstanding the occurrence of a loss this insurance will remain in force for the full amount the insured agreeing to pay additional premium on the amount of such loss pro rata from the date of the accident to the expiry of the period of insurance.

(h) Deposit premium

In consideration of the premium for items 1 2 3 4 and/or 5 of schedule I being provisional because they are calculated on 75 per cent of the sum(s) insured thereby the premium is subject to adjustment on expiry of each period of insurance as follows

if the gross profit or revenue earned or wages paid (proportionately increased if the indemnity period exceeds 12 months) during the financial year most nearly concurrent with any period of insurance is less or greater than 75 per cent of the sum insured thereon a pro rata return or additional premium not exceeding 33½ percent of the provisional premium paid for such period of insurance will be made for the difference.

(i) Premium rebate

- (i) If the gross profit and/or revenue earned and/or wages paid as insured by 1 2 3 4 and/or 5 of schedule I (all proportionately increased if the indemnity period exceeds 12 months) during the financial year most

Loss of Profits (Machinery)

nearly concurrent with any period of insurance is less than the respective sums insured thereon a pro rata return of premium not exceeding 50 per cent of the premium paid on such sums insured for such period of insurance will be made for the difference provided that if any claim shall have arisen under these items such return will be made in respect only of so much of the difference as is not due to such claim.

- (ii) If the specified number of 52nd parts of the wages paid as insured by item 6 of schedule I during the financial year most nearly concurrent with any period of insurance is less than the sum insured thereon a pro rata return of premium not exceeding 50 per cent of the premium paid on such sum insured for such period of insurance will be made for the difference provided that if any claim shall have arisen under this item no return of premium will be made.

Machinery Breakdown

Defined Events

Any unforeseen and sudden physical damage to the machinery described in the schedule from any cause whilst it is

- 1 at work or at rest
- 2 being dismantled for the purpose of cleaning inspection and overhaul or removal to another position or in the course of these operations themselves or subsequent re-erection

within the insured's premises.

Basis of Indemnity

- 1 If the damage can be repaired the company will pay the cost of restoration to working order based on the customary daily rates of wages in the district and normal freight erection and customs dues.
- 2 If the insured item is totally destroyed the company will pay the market value of the item immediately before the accident and the cost of removing the damaged machinery less the value of the remains. The insured item shall be regarded as totally destroyed if the repair costs as defined in 1 above equal or exceed its market value immediately before the accident.
- 3 The company may at its option repair reinstate or replace any damaged machinery or pay the amount of the damage in cash.

Special Exclusions

- (1) Irrespective of the original cause the company will not pay for
 - (a) Excess
the amount specified in the schedule as the excess for each and every occurrence
 - (b) damage due to
 - (i) Fire lightning explosion
fire extinguishing of a fire direct lightning strikes explosion
 - (ii) Theft collapse etc..
theft collapse of buildings impact by animals vehicles aircraft other aerial devices or objects dropped therefrom sonic shock waves
 - (iii) Water
water which escapes from water containing apparatus including leakage or discharge from any sprinkler or drencher system
 - (iv) Subsidence landslide
subsidence landslide storm flood inundation hail snow earthquake volcanic eruption or other convulsions of nature
or any subsequent dismantling
 - (c) Experiments
damage resulting from experiments overloads or tests requiring the imposition of abnormal conditions
 - (d) Tools
damage due to the misapplication of tools
 - (e) Wastage wearing away
wastage of material or the like or wearing away or wearing out of any part of the machinery caused by or naturally resulting from ordinary usage or working or other gradual deterioration
 - (f) Expendable parts
expendable parts and tools such as (but not limited to) bits cutters knives saw blades dies pattern rollers sieves chains belts ropes conveyor bands jointing and packing material. If these parts or tools are damaged as a result of an accident to other parts of the machinery insured as provided for by this insurance the company shall indemnify the insured for the residual value of such parts or tools

Machinery Breakdown

- (g) Express delivery overtime
extra charges for express delivery overtime Sunday and holiday rates of wages unless specially provided for herein
- (h) Damaged parts
the value of damaged parts which can be used in any way whatsoever
- (i) Alterations additions
costs of alterations additions improvements and overhauls carried out on the occasion of a repair
- (j) Temporary repairs
temporary repairs and any consequences arising therefrom unless the company has authorised the temporary repairs.
- (k) Power surge
Loss of or damage to any item of machinery described in the Schedule due to a power spike and/or power surge and/or an under-voltage condition arising out of the energising of any standby power generating plant to which the insured property/machinery has been connected.
This exclusion shall not apply if the standby power generating plant has been fitted with appropriate voltage and frequency regulation equipment.

(2) Foundations masonry refractories

The machinery described in the schedule does not include any foundations masonry or refractories unless specifically mentioned

(3) Partial damage

Where damage is restricted to a part or parts of an insured item the company will not be liable to pay a greater amount than the value of the part or parts allowed for in the sum insured plus dismantling re erection and freight expenses

Special Conditions

1 Alterations to working conditions

Notice of any intended alteration to or departure from normal working conditions which would affect the risk of damage to the machinery specified in the schedule must be given to the company. If the company cannot approve the alteration or departure from normal working conditions the company may cancel the insurance in respect of the machinery concerned making an appropriate return of premium.

2 Access

The insured shall allow the authorised representatives of the company to examine the insured machinery at any reasonable time. If during the inspection any new facts of a nature likely to render the risk more than usually hazardous are observed the insured must at the request of the company restore the risk to normal within a reasonable time failing which the company may suspend cover in whole or in part until the risk is restored to normal

3 Claims

On the happening of an event giving rise or likely to give rise to a claim the insured

- (a) shall exercise all means in his power to salvage the insured items and ensure their preservation
- (b) may proceed with the repair of the machinery provided that
 - (i) he complies with 3(a) above
 - (ii) the carrying out of the repair is without prejudice to any question of liability
 - (iii) any damaged part requiring replacement is kept for inspection by the company

4 Insured value

The sum insured for each item of machinery specified in the schedule must be equal to the installed new replacement value at all times.

Machinery Breakdown

5 Reinstatement of sum insured

In the event of the payment by the company of any sum or sums in discharge of the company's liability in the terms of this insurance the sum insured shall automatically be reinstated for the remainder of the current period of insurance provided that the insured shall pay any additional premium required by the company calculated pro rata from the date the repaired item is again put to work.

6 Average

If at the time of the damage the sum insured is lower than the installed new replacement value then the insured will be considered to be his own insurer for the difference and will bear a rateable share of the loss accordingly. Every item of machinery will be separately subject to this condition.

Money

Defined Events

Loss of or damage to money (as defined) occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe and Malawi except if otherwise specified provided that the liability of the company for all loss or damage arising from all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the specific limitations stated in the schedule.

Definitions

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

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

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

Extensions

1. Receptacles and clothing

In addition to any payment in respect of a defined event, the company will indemnify the insured in respect of receptacles and clothing (as defined) lost or damaged as a result of theft of money or attempted theft of money, provided that the company's liability under this extension in respect of clothing shall not exceed R3 000, and in respect of receptacles, the amount stated in the schedule or R3 000 whichever is the greater.

2. Locks and keys

In addition to any payment in respect of a defined event, the company will indemnify the insured in respect of the cost of replacing locks and keys to any receptacle at the insured premises following upon the disappearance of any key to such receptacle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key

provided that

- (i) the company's liability shall not exceed R3 000 in respect of any one event
- (ii) the company shall not be liable for the first R250 of each and every event.

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

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

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

provided that this extension does not cover

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

Money

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

4. Skeleton keys

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

5. Personal accident (assault) extension (if stated to be included)

The term "defined events" in the money section shall be deemed to include bodily injury, caused by accidental, violent external and visible means as a result of theft, or any attempt thereat, to the insured or to any principal, partner, director or employee of the insured (hereinafter in this extension referred to as such person) while such person is acting in the course of his duties in the insured's employ

The company will pay to the insured, on behalf of such person or his estate, the sum or sums stated in the schedule in the event of bodily injury to such person resulting within 24 calendar months in

1. death _____ **the capital sum**
2. permanent disability _____ **the percentage of the capital sum specified**

Percentage of capital sum

- | | |
|---|-----|
| (a) loss by physical separation at or above the wrist or ankle of one or more limbs _____ | 100 |
| (b) permanent and total loss of | |
| whole eye _____ | 100 |
| sight of eye _____ | 100 |
| sight of eye except perception of light _____ | 75 |
| (c) permanent and total loss of hearing | |
| both ears _____ | 100 |
| one ear _____ | 25 |
| (d) permanent and total loss of speech _____ | 100 |
| (e) injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training _____ | 100 |
| (f) loss of four fingers _____ | 70 |
| (g) loss of thumb (one or both phalanges) _____ | 25 |
| (h) loss of index finger (one, two or three phalanges) _____ | 10 |
| (i) loss of any other finger (one, two or three phalanges) – each finger _____ | 6 |
| (j) loss of metacarpals - first, second, third, fourth or fifth (additional) _____ | 5 |
| (k) loss of toes | |
| all on one foot _____ | 30 |
| great, one or both phalanges _____ | 5 |
| other than great, if more than one toe lost, each _____ | 5 |
3. In the case of total and absolute incapacity from following usual business or occupation the weekly sum specified in the schedule shall be payable
 4. The reasonable expenses incurred, up to the sum specified in the schedule, shall be payable in respect of medical, surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) incurred within 24 months of the defined event

Memoranda (applicable to permanent disablement benefits)

- a. Where the injury is not specified the company will pay such sum as in its opinion is consistent with the

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above provisions

- b. Permanent total loss of use of part of the body shall be considered as loss of such part
- c. 100 per cent shall be the maximum percentage of compensation payable for disability resulting from an accident or series of accidents arising from one cause in respect of any such person

provided that

- (i) the company shall not be liable to pay in respect of any one such person more than the capital sum plus the sums specified under items 3 and 4;
- (ii) the sum specified under item 3 shall be payable only for the duration of the incapacity of such person and shall not be payable for more than 104 weeks and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible notwithstanding that permanent disability may remain;
- (iii) compensation payable under item 4 shall be reduced by an amount equal to the compensation received or receivable under any workmen's compensation enactment in respect of any treatment for which compensation is payable under item 4;
- (iv) this extension shall not apply to any such person under 15 or over 70 years of age;
- (v) after suffering bodily injury for which benefit may be payable under this extension, such person shall submit to medical examination and undergo any treatment specified. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
- (vi) general exception 2 and general conditions 2 and 9 do not apply to this extension;
- (vii) in respect of this extension only general exception 1 is deleted and replaced by the following:

This extension does not cover death or bodily injury directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution or military or usurped power.

Extensions to the personal accident (assault) extension

- 1. Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements directly or indirectly resulting from such person being the victim of theft or any attempt thereof
- 2. In the event of disappearance of any such person in circumstances which satisfy the company that he has sustained injury to which this personal accident (assault) extension applies and that such injury has resulted in the death of such person, the company will, for the purpose of the insurance afforded by this extension, presume his death provided that if, after the company shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the insured to the company.

Specific exceptions

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

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

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person(s) responsible for the money deliberately left it outside the safe or strongroom with the intention of allowing it to be stolen;

- (6) in any vehicle being used by the insured unless a principal, partner, director or employee of the insured is actually in such vehicle or, if not in such vehicle, is within 5 metres of it in a position from which the vehicle is clearly visible. This exception shall not apply following an accident involving such vehicle rendering the said person incapacitated.

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

Memoranda

1. Loss of or damage to money as insured under this section arising from dishonesty of any principal, partner, director or person in the employ of the insured (such person), as defined under this section, shall be subject to the following compulsory First Amount Payable Clause

The amount payable hereunder in respect of an event involving any such person or any number of such persons acting in collusion shall be reduced by an amount equal to 10% of the claim subject to a minimum of R2 500.

2. The company shall not be liable under this section of the policy in respect of loss or damage arising from any event in respect of which a claim is payable, or would be payable but for any first amount payable or co-insured clause under the fidelity section of the policy or any other fidelity insurance.

Special conditions applicable to cheques

First amount payable applicable to theft of cheques

Any loss or series of losses attributable to one original event which is payable under this section and which results from the theft of any cheque or cheques shall be reduced by a first amount payable of 20% of the loss indemnifiable by this section unless:

1. Cheques drawn by the insured

(a) the cheque has been drawn and crossed exactly in accordance with the undermentioned "Recommended procedure for drawing and crossing of cheques" or any other superior method approved by the company and the printed portion of the cheque (as opposed to the written or typed portion) has been printed by the bank itself or a printer licensed to print cheques by the Automatic Clearing Bureau

or

(b) the cheque has been dispatched to the payee by certified post or any post where the security is equal or superior to certified post

2. Cheques drawn by someone other than the insured and which were received by the insured by post or directly by the cashier

(a) such cheque has been crossed and marked "not negotiable" and marked "not transferable" immediately on receipt thereof by the insured and

(b) the Insured is able to identify the drawer and amount of the cheque from their records

3. Cheques of which the insured is the true owner which were drawn by someone other than the insured and posted to the insured but not received

(a) the cheque has been drawn and crossed exactly in accordance with the undermentioned "Recommended procedure for drawing and crossing of cheques" or any other superior method approved by the company

or

(b) the cheque was dispatched to the insured by certified post or any post where security is equal or superior to certified post.

or

(c) the invoice of the insured (to which the payment by cheque relates) contains a message (approved by

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the company) recommending or requiring that the cheque be drawn in accordance with the undermentioned "Recommended procedure for drawing and crossing of cheques".

Recommended procedure for drawing and crossing of cheques and printing of blank cheques

A. Drawing and crossing of cheques

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

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

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

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

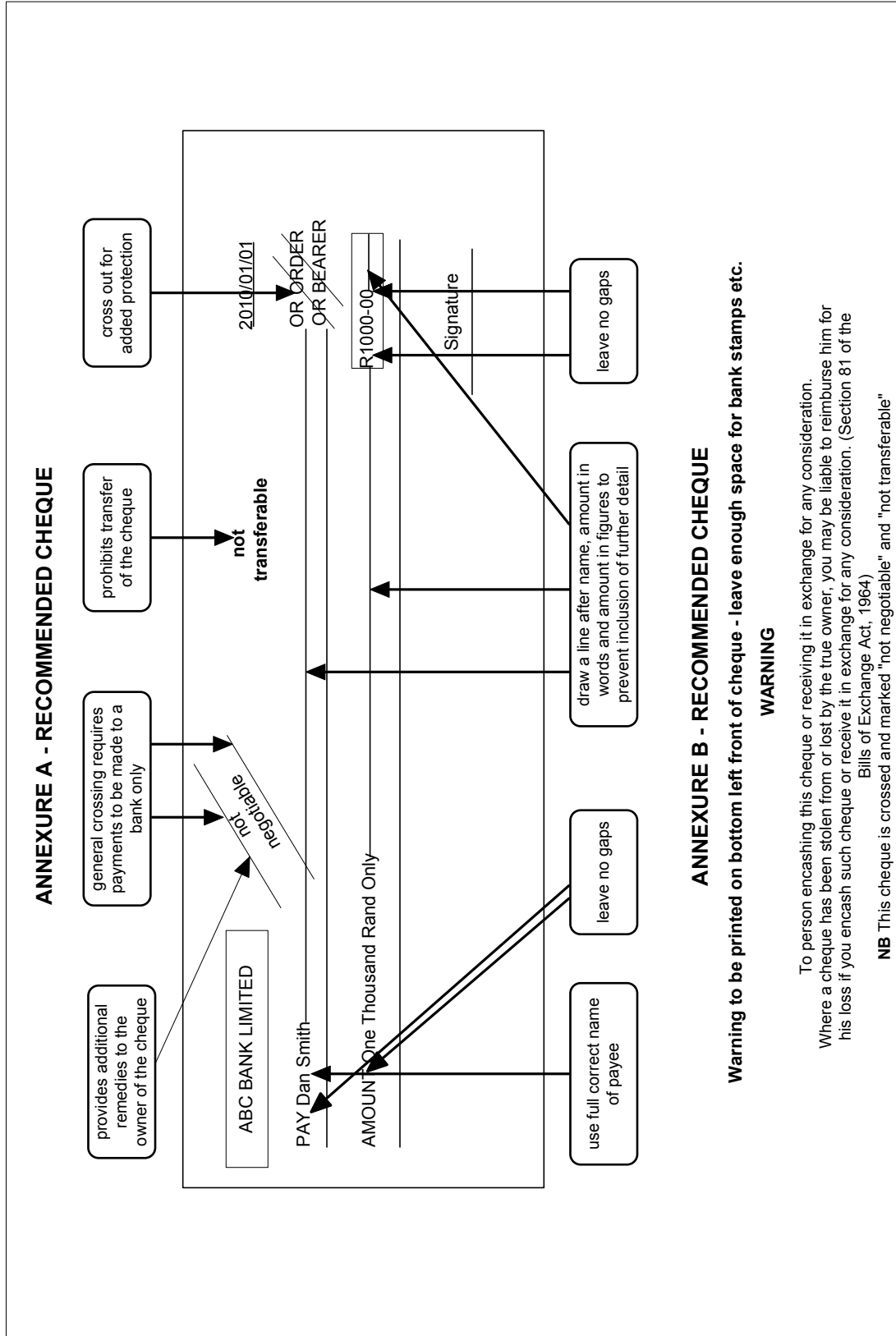
7. In drawing the cheque no spaces should be left which would allow anyone to add extra words or figures.
8. An example of this method of drawing a cheque is attached as Annexure A.
9. On the front of the cheque the wording listed in Annexure B (*last page of this section*) should be printed. Please ensure that space is left on the rear of the cheque for bank stamps and endorsements.
10. All the markings on a cheque should be legible and clearly visible. Persons drawing cheques should not use abbreviated or different versions of the terminology used in the example. The words "not neg" and a crossing using a rubber stamp containing a rectangle rather than two parallel lines are worthless.
11. The method used to complete cheques should be one which makes an ink impression on the paper, like handwriting, a typewriter or a dot matrix printer. The ribbon used on the printer/typewriter should be of the type which impregnates the paper with ink. Do not use:
 - (i) old ribbons
 - (ii) laser printers which do not make an impression into the paper
 - (iii) the "reverse printing technique"
 - (iv) correctable type ribbons.

B. Printing of blank cheques

Blank cheques should only be printed by the Bank itself or a printer licensed by the Automatic Clearing Bureau. These printers know the recommended requirements of banks and should only use approved:

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

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Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated.

1. "The Vehicle" - shall mean:

- 1.1 any motor vehicle or trailer owned by or hired or leased to the insured (excluding any vehicle the property of the insured and hired or sold by the insured under a hire-purchase or similar agreement unless such vehicle is in the custody or control of the insured at the time of the occurrence of the event out of which any claim arises)
- 1.2 any motor vehicle or trailer in the custody or control of the insured other than a motor vehicle or trailer described in 1.1 - hereinafter referred to as customers vehicles
- 1.3 shall mean any vehicle (mechanically propelled or otherwise) attached to a vehicle covered under 1.1 for the purpose of being towed or salvaged.

2. "Territorial Limits" - shall mean:

Republic of South Africa, Namibia, Botswana, Lesotho, Malawi, Swaziland and Zimbabwe.

3. "Damages" - shall include costs and expenses:

- 3.1 recoverable at law by a claimant from the insured
- 3.2 incurred with the consent of the company.

4. "Injury" - shall mean bodily injury including death and illness.

5. "Employee" - shall mean any person employed by the insured and acting in the course of the business.

6. "Damage" - shall mean physical damage including physical loss.

7. "Property" - shall mean tangible property.

8. "Premises" - the premises of the insured shown in the schedule.

Sub-Section A - Damage to the vehicle

(other than customers' vehicles on the premises)

1. Defined event

Damage to the vehicle or any part of it whilst thereon.

2. Limits of indemnity

Unless otherwise stated the maximum amount payable by the company for the vehicle will be the limit of indemnity stated in the schedule or the reasonable market value of the vehicle at the time of loss or damage whichever is the lower.

3. Protection and repair of vehicle

- 3.1 If insured damage occurs the company will pay the reasonable cost of protection and removal to the nearest repairer including the reasonable cost of delivery to the insured after repair of such damage but not exceeding the reasonable cost of transport to the insured's premises within the territorial limits.
- 3.2 The insured may authorise repairs up to R1 000 without the consent of the company provided a detailed quotation is first obtained and forwarded to the company.

4. Specific exceptions

The company will not be liable under this sub-section for:

- 4.1 consequential loss;
- 4.2 depreciation, wear or tear, mechanical or electrical breakdowns, failures or breakages;

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- 4.3 damage to tyres unless some other part of the vehicle is damaged at the same time;
- 4.4 damage to springs due to inequalities of the road or other surface or to impact with such inequalities;
- 4.5 loss or damage to accessories or spare parts by theft unless the vehicle is stolen at the same time;
- 4.6 defective workmanship or its consequences to vehicles whilst in or on the premises;
- 4.7 loss or damage to customers vehicles whilst in or on the premises;
- 4.8 damage to the vehicles defined in Definition 1.1 and 1.3 whilst in or on the premises if the loss or damage is caused by or arises directly or indirectly from fire, explosion, lightning, theft or any attempt thereat, weather conditions, earthquake or earth tremor or volcanic eruption;
- 4.9 detention, confiscation, nationalisation or requisition by customs or other officials or authorities.

Sub-Section B - Liability to third parties caused by the vehicle

1. Defined event

An accident caused by or in connection with the vehicle including the loading or unloading of such vehicle.

2. Indemnity to the insured

The company will indemnify the insured against all sums which the insured becomes legally liable to pay as damages in respect of

- 2.1 injury to any person other than an employee,
 - 2.2 damage to property
- resulting from the accident.

3. Representation and criminal proceedings

The company may arrange for

- 3.1 representation at any inquiry into death;
- 3.2 the defence of criminal proceedings for any act causing or relating to an event which may be indemnifiable under this section.

4. Indemnity to others

The company will indemnify any person who is driving or using the vehicle with the insured's permission provided that person

- 4.1 is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder;
- 4.2 as though he were the insured is subject to the terms, exceptions and conditions of the policy as far as they can apply;
- 4.3 has not been refused any motor vehicle insurance.

5. Limits of indemnity

Unless otherwise stated the total liability of the company under this sub-section is limited to the limit of indemnity shown in the schedule. If more than one person is entitled to indemnity any limitation applies to the total amount of indemnity and the insured will receive priority.

6. Specific exceptions

The company will not be liable under this sub-section for

- 6.1 so much of any compensation as is insurable in terms of any compulsory motor vehicle insurance legislation;
- 6.2 injury to any person being carried in or upon or entering or getting onto or alighting from any motor cycle, motor scooter, side car or trailer;

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- 6.3 injury to any person who is a member of the same household as the insured;
- 6.4 damage to property belonging to, held in trust by or in the custody or control of the insured or being conveyed by loaded onto or unloaded from the vehicle;
- 6.5 injury or damage caused by or arising out of the operation, demonstration or use for purposes other than maintenance or repair of the vehicle (unless it is a fork lift truck) of any tool or plant forming part of or attached to or used in connection with the vehicle or anything manufactured by or contained in any such tool or plant.

Sub-Section C - Liability for damage to customers' vehicles on the premises

1. Defined event

Accidental damage to customers' vehicles or any part thereof occurring in on or about the premises.

2. Indemnity to insured

The company will indemnify the insured against all sums which the insured becomes legally liable to pay as damages as a result of damage to the customer's vehicle.

3. Indemnity to others

At the request of the insured the company will indemnify any other party against liability for which the insured would have been liable and entitled to indemnity under this sub-section had the claim been made against the insured. Other than in the case of an employee, the insurer will not pay for injury or damage caused by the act or omission of the other party.

If more than one person is entitled to indemnity the indemnity limit applies to the total amount of indemnity and the insured will receive priority.

4. Limit of indemnity

The maximum amount payable by the company in respect of any one vehicle shall not exceed the limit of indemnity stated in the schedule.

5. Specific exceptions

The company will not pay under this sub-section for damage to any vehicle caused by or arising directly or indirectly from

- 5.1 fire, explosion, lightning, theft, weather conditions, earthquake or earthtremor;
- 5.2 defective workmanship or any consequence thereof.

Specific general exceptions

1. Those applicable to Sub-sections A and B only

The company will not pay under these sub-sections for any accident, injury, damage or liability caused whilst any vehicle is being driven or used

- 1.1 other than in accordance with the Description of Use;
- 1.2 by the insured (or by any other person with his consent) unless licensed to drive such vehicle in terms of the legislation applying to any territory in the territorial limits. If a licence is subject to renewal the driver must have held and not be disqualified from holding or obtaining such a licence. This exception shall not apply whilst such vehicle is being driven by the insured (or any other person in the employ of the insured with his consent) whilst learning to drive if the laws and regulations relating to learner drivers are being obeyed;
- 1.3 by the insured a member or director of the insured whilst under the influence of intoxicating liquor or drugs;
- 1.4 with the consent of the insured by a person who the insured knows is under the influence of intoxicating liquor or drugs;

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1.5 for any unauthorised purpose by any employee of the insured or by any other person with whom such employee is or was acting in collusion.

2. Those applicable to sub-sections A, B and C

2.1 The company will not pay under these sub-sections for accident, injury, damage or liability which happens outside the territorial limits.

2.2 If the insured is a private individual, a partnership, a proprietary company or closed corporation, the company will not pay under these sub-sections for accident, injury, damage or liability caused to or by any vehicle owned, hired or leased by the insured or member of the insured or any director of the insured in their private capacity.

2.3 The company will not pay under these sub-sections for accident, injury, damage or liability arising out of contractual liability unless such liability would have attached notwithstanding such contractual liability.

Description of use clause - applicable to Sub-sections A and B

1. The vehicle may only be used for

1.1 business purposes of the insured excluding transit delivery or conveying by or on behalf of the insured by casual drivers or persons not wholly and regularly engaged in the employ of the insured;

1.2 tuition provided the learner driver is accompanied by a fully licensed driver who is the insured or a member, director or employee of the insured;

1.3 demonstration including driving of the vehicle by the person to whom it is being demonstrated provided such person is accompanied by a fully licensed driver who is the insured or a member, director or employee of the insured;

1.4 social, domestic and pleasure purposes (whether such use is incidental to the business of the insured or not) by any person other than the insured, a member, a director or an employee of the insured.

2. The vehicle may not be used for

2.1 hiring out or as a taxi or for plying for public or private hire;

2.2 racing, pacemaking, rallies, any speed contest or trial or driving in a match for a wager;

2.3 carrying fare-paying passengers or guests of an hotel, private hotel or boarding house if the insured is the keeper of such hotel, private hotel or boarding house;

2.4 carrying explosives;

2.5 carrying any load in excess of that for which the vehicle is constructed.

No-claim rebate provisions

If a claim does not arise under this section during a period of insurance of not less than 12 months immediately preceding renewal date the renewal premium will be reduced by 10%. Reductions will not be cumulative. Should the insurer consent to a transfer of interest in this policy the period of insurance will commence at the date of consent.

Extensions which apply to this section if indicated in the schedule

1. Unauthorised use by employees

Specific General Exception 1.5 is deleted

2. Social, domestic and pleasure use

Notwithstanding Description of Use Clause 1.4, the vehicles insured by this policy may also be used for social, domestic and pleasure purposes by the persons listed in the schedule.

3. Windscreen - applicable to sub-sections A & C only

The first amount payable and the no-claim rebate provisions shall not apply to any claim for damage to

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windscreen side or rear glass forming part of the vehicle provided that

3.1 no other damage has been caused to the vehicle at the time the glass was damaged

3.2 the insured shall be responsible for the first amount payable shown opposite this extension in the schedule.

4. Work away from premises - applicable only to sub-section C

The definition of premises is extended to include any premises not under the control of the insured at which the insured is working upon a customer's vehicle.

5. Contingent liability extension

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

5.1 the insured in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of nor provided by the insured whilst being used by any partner in or of or any director or employee of the insured (hereafter in this extension referred to as such person);

5.2 any such person in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to him nor to the insured nor leased nor hired by either of them, but only in so far as such person has not been refused any motor insurance or continuance thereof by any insurer;

provided that

(i) the company shall not be liable for loss of or damage to any motor vehicle being used for the purposes and in the manner described in 5.1 and 5.2 above;

(ii) the payment by the insured of subsidies or travelling allowances to such person for the use of his own vehicle for official purposes of the insured, including the carriage of persons for such purposes, is allowed without prejudice to the insurance by this extension;

(iii) if at the time of the occurrence of any accident giving rise to a claim under this extension the insured or such person is entitled to indemnity under any other policy in respect of the same occurrence, the company shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other policy

(iv) the terms, exceptions and conditions of the policy shall otherwise apply.

6. Riot and strike extension

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

6.1 civil commotion, labour disturbances, riot, strike or lockout;

6.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 6.1 above;

provided that this extension does not cover:

(i) loss or damage occurring in the Republic of South Africa or Namibia;

(ii) consequential or indirect loss or damage of any kind or description whatsoever;

(iii) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;

(iv) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;

(v) loss or damage related to or caused by any occurrence referred to in general exception 1 (A) (ii) (iii) (iv) (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the company alleges that by reason of provisos (i) to (v) loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

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7. Waiver of subrogation rights

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

8. Principals

Notwithstanding specific general exception 2.3 of this section the indemnity under sub-section B extends to indemnify (to the extent required by the conditions of any contract of the Building Industries Federation of South Africa and in connection with any liability arising from the performance of such contract) any principal named in such contract entered into by the insured for the purposes of the business provided that the liability of the company shall not exceed the limit of indemnity stated in the schedule.

9. Cross liabilities

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

Restrictions of cover which apply to this section if indicated in the schedule

1. Third party only cover

Sub-sections A and C and the No-Claim Rebate Provisions are cancelled.

2. Third party fire and theft cover - applicable to sub-section A

The no-claim rebate provisions are cancelled and the company will, subject to Specific Exception 4.8, only be liable under sub-section A if the damage to the vehicle results from fire, self-ignition, lightning or explosion or by theft or any attempt thereof.

3. External risks cover only

3.1 Sub-section C is cancelled.

3.2 The company will not pay under sub-sections A and B for damage or accidents which happen in on or about the premises.

4. Internal risks cover only

4.1 Sub-section A is cancelled.

4.2 The company will only pay under sub-section B for accidents which occur in on or about the premises.

5. Exclusion of demonstration risks

Description of Use Clause 1.3 is deleted.

6. Deletion of passenger cover

The company shall not be liable under sub-section B for injury to any person being carried in or upon or getting on to or entering or alighting from the vehicle.

Memorandum

In respect of sub-section B only General Exception 1 is deleted and replaced by the following:

"This sub-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.

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Specific conditions

1. Traffic offences

(Applicable to driving of vehicles other than those in on or about the premises)

The insured shall notify the company in writing immediately he knows of

- 1.1 the endorsement, suspension or cancellation of his or his authorised driver's driving licence;
- 1.2 any driver of the vehicle being charged or convicted of reckless, negligent or inconsiderate driving.

2. Premium computation

The premium has been calculated on estimates of wages, salaries, commissions and other considerations payable by the insured to all employees and which the insured has supplied to the company. Where the insured is an individual or a partnership, the amount indicated in the schedule must be added to the declaration for each principal in lieu of salary.

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Sub-section A Loss or damage

Defined events

Loss of or damage to any vehicle described in the schedule and its accessories and spare parts whilst thereon. In addition, if such vehicle is disabled by reasons of any loss or damage insured hereby, the company will pay the reasonable cost of protection and removal to the nearest repairers and the insured may give instructions for repairs to be executed without the prior consent of the company to the extent of but not exceeding R3 000, provided that a detailed estimate is first obtained and immediately forwarded to the company. The company will also pay the reasonable cost of delivery to the insured, after repair of such loss or damage, not exceeding the reasonable cost of transport to the permanent address of the insured in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique provided that

1. the limit of indemnity for each type of vehicle is as stated in the schedule and shall be the maximum amount payable by the company in respect of such loss or damage, but shall not exceed the reasonable market value of the vehicle and its accessories and spare parts at the time of such loss or damage
2. the company may, at its own option, repair, reinstate or replace such vehicle or any part thereof and/or its accessories and spare parts or may pay in cash the amount of the loss or damage not exceeding the reasonable market value of such vehicle and/or its accessories and/or spare parts at the time of such loss or damage
3. if, to the knowledge of the company, the vehicle is the subject of a suspensive sale or similar agreement, such payment shall be made to the owner described therein whose receipt shall be a full and final discharge to the company in respect of such loss or damage
4. in respect of each and every occurrence giving rise to a claim (except a claim resulting from fire, lightning or explosion) under this sub-section, the insured shall be responsible for the first amounts payable stated in the schedule (according to the type of vehicle) of any expenditure (or any less expenditure which may be incurred) for which provision is made under this sub-section (including any payment in respect of costs, expenses and fees), and of any expenditure by the company in the exercise of any discretion it may have under this insurance.

If the expenditure incurred by the company shall include any first amount payable for which the insured is responsible, such amount shall be paid by the insured to the company forthwith

5. the company shall not be liable for more than the amount stated in the schedule (after deduction of the first amounts payable) in respect of the theft or attempted theft of radios, tapeplayers and similar equipment or telephones not supplied by the manufacturers of the vehicle when new.

Exceptions to sub-section A

The company shall not be liable to pay for

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

Sub-section B Liability to third parties

Defined events

Any accident caused by or through or in connection with any vehicle described in the schedule or in connection with the loading and/or unloading of such vehicle in respect of which the insured and/or any passenger becomes legally liable to pay all sums including claimant's costs and expenses in respect of

- (i) death of or bodily injury to any person, but excluding death of or bodily injury to any person in the employ

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of the insured arising from and in the course of such employment or being a member of the same household as the insured

- (ii) damage to property other than property belonging to the insured or held in trust by or in the custody or control of the insured or being conveyed by, loaded onto or unloaded from such vehicle.

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

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

Exceptions to sub-section B

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

- (a) so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment.

This exception shall apply notwithstanding that no insurance under such enactment is in force or has been effected
- (b) death of or injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in definition (b), (c), (d) or (e) at the time of the occurrence of the event from which any claim arises (except any person being carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger-carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1 500kg)
- (c) 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. This exclusion shall not apply to forklift trucks.

Limits of indemnity

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

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Sub-section C Medical expenses

Defined events

If an occupant in the specified part of a vehicle described below, in direct connection with such vehicle, sustains bodily injury by violent, accidental, external and visible means, the company will pay to the insured the medical expenses incurred as a result of such injury up to R2 000 per injured occupant but not exceeding R25 000 in total for all occupants injured as a result of an occurrence or series of occurrences arising out of one event.

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

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

Defined vehicle but only if it is insured under sub-section A of this section	Specified part of vehicle in which the injury must occur
1, Any private type motor car or motorised caravan	Anywhere inside the vehicle
2. Any other type of insured vehicle other than a bus or taxi	The permanently enclosed passenger-carrying compartment

Definitions

1. Occurrence

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

2. Vehicle

The term vehicle shall mean

- (a) private type motor cars (including station wagons, safari vans, estate cars and the like or similar vehicles designed to seat not more than 9 persons including the driver)
- (b) commercial vehicles and special type vehicles as described in the schedule
- (c) motor cycles (including motor scooters and 3-wheeled vehicles)
- (d) buses (including any vehicle used for business purposes and designed to seat more than 9 persons, including the driver)
- (e) trailers, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle, but excluding any parts or accessories not permanently fitted thereto

any such vehicle being owned by or hired or leased to the insured, including any such vehicle temporarily operated by the insured as replacement for any vehicle out of use for the purpose of overhaul, upkeep and/or repair provided that the insurer's maximum liability shall not exceed the lesser of the market value of the replacement vehicle or the limit of indemnity of the replaced vehicle as stated in the schedule.

No claim rebate provisions (applicable to specified vehicle basis)

The policy schedule reflects the Claim Free Group of each vehicle. These are awarded based on the number of claims made or arising for the particular vehicle during the preceding periods of insurance. The renewal premium is then based on the revised Claim Free Group according to the following explanation:

- Claim Free Groups range from 0 to 6 for vehicle definitions (a) and (c) with 6 having the lowest and 0 having the highest premium. For vehicle definitions (b) and (d) the Claim Free Groups range from 0 to 4.
- As an example a Claim Free Group 3 would be awarded to a vehicle that has been claim free for the preceding 3 years and a 6 for a vehicle that has been claim free for the preceding 6 years.

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- Each claim made or arising in a period of insurance will result in the Claim Free Group reducing by 2 at the next renewal. As an example, if a vehicle with a Claim Free Group 5 has a claim during the period of insurance this will result in a Claim Free Group 3 at the next renewal. If the same vehicle with a Claim Free Group 5 has 2 claims during the period of insurance the Claim Free Group will reduce to 1 at the next renewal.

Extensions

1. Contingent liability extension (if stated in the schedule to be included)

The indemnity under sub-section B includes claims made against

- (a) the insured in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of or provided by the insured, while being used by any partner or director or employee of the insured (hereinafter in this extension referred to as such person)
- (b) any such person in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to him or to the insured or leased or hired by either of them, but only in so far as such person has not been refused any motor insurance or continuance thereof by any insurer

provided that

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

2. Passenger liability extension (if stated in the schedule to be included)

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

3. Unauthorised passenger liability extension (if stated in the schedule to be included)

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

The limit of indemnity for any one occurrence shall not exceed the amount stated in the schedule.

4. Parking facilities and movement of third party vehicles extension (if stated in the schedule to be included)

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

- (a) with the authority of any tenant, customer or visitor of the insured or
- (b) in connection with the insured's parking arrangements or

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(c) to facilitate the carrying out of the insured's business, and provided further that this extension shall not apply in respect of damage to vehicles which are parked for reward.

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

5. Windscreen extension

The provisions of this section relating to first amount payable and No Claim Rebate shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle provided that

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

6. Waiver of subrogation rights

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

7. Principals

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

8. Cross liabilities

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

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

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

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

provided that this extension does not cover:

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

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

10. Loss of keys extension (if stated in the schedule to be included)

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

- (i) the company's liability shall not exceed, in respect of any one event, the amount stated in the schedule
- (ii) such amount shall be reduced by the first amount payable stated in the schedule.

The provisions of this section relating to first amount payable and No Claim Rebate shall not apply to this extension.

11. Fire extinguishing charges extension

Any costs (not exceeding R7 500) relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which the company may be liable in terms of this section, provided the insured is legally liable for such costs and the insured property was in danger from the fire.

12. Wreckage removal extension (if stated in the schedule to be included)

The cover provided under sub-section A of this section is extended to include costs and expenses incurred by the insured in respect of the clearing up and removal of debris and wreckage of any insured vehicle following damage to such vehicle by a defined event, provided that, in addition to the limit of indemnity under sub-section A of this section, the limit of the company's liability under this extension shall not exceed, in respect of any one occurrence, the limit stated in the schedule to apply to this extension.

13. Credit shortfall extension (if stated in the schedule to be included)

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

- (a) any arrears instalments or rentals including interest payable on such arrears
 - (b) all refunds of premium for cancellation of any insurance cover relating to the motor vehicle
 - (c) the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled
 - (d) the first amount payable under sub-section A
- provided always that
- (a) the amounts payable shall not exceed the maximum indemnity less the first amount payable under sub-section A
 - (b) this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment
 - (c) if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

Memoranda

1. Premium adjustment clause

If this section is issued on a non-specified vehicle basis, the insured shall submit to the company at the end of each period of insurance a declaration of the total number of vehicles owned, hired or leased at such

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expiry date. The company shall, upon receipt of this declaration, make a premium adjustment of 50 per cent of the annual rate per vehicle applied to the difference in the number of vehicles at inception or renewal and the number declared.

2. War clause

In respect of sub-sections B and C only, General exception 1 is deleted and replaced by the following:

This section does not cover war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

3. Description of use clause

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

hiring, carriage of passengers for hire or carriage of fare-paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry or use for any purpose in connection with the motor trade. The indemnity to the insured in connection with any vehicle shall operate while such vehicle is in the custody or control of a member of the motor trade for the purpose of its overhaul, upkeep or repair.

Optional limitations

Third party only limitation (if stated in the schedule to be applicable)

Sub-sections A and C and the No-Claim Rebate provisions are cancelled.

Third party, fire and theft only limitation (if stated in the schedule to be applicable)

The liability of the company under sub-section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, sub-section C and the No Claim Rebate provisions are cancelled.

Specific exceptions

1. The company shall not be liable for any accident, injury, loss, damage or liability
 - (a) whilst the vehicle is being used with the general knowledge and consent of the insured otherwise than in accordance with the description of use clause
 - (b) incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi, Mozambique and Zambia, but the company will indemnify the insured against loss of or damage to any vehicle while in transit by sea or air between ports or places in these territories including loading and unloading incidental to such transit. In the event of any occurrence giving rise to a claim whilst the insured vehicle is in ZAMBIA the insured shall at their own expense be solely responsible for the repatriation costs of the vehicle to any of the other aforesaid territories. Until the vehicle has been repatriated to the said territory no liability shall be admitted or payments made in terms of the cover provided
 - (c) incurred while any vehicle is being driven by
 - (i) the insured while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or while not licensed to drive such vehicle
 - (ii) any other person with the general consent of the insured who, to the insured's knowledge, is under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or who is not licensed to drive such vehicle, but this shall not apply if the insured was unaware that the driver was unlicensed and the insured can prove to the satisfaction of the company that, in the normal course of his business, procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles.

Provided that any driver shall be deemed to be licensed to drive the vehicle if he is complying with

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the licensing laws relating to any of the territories referred to under Specific exception (b), or if non-compliance with any licensing law is solely because of failure to renew any licence subject to periodic renewal, or if a licence is not required by law, or while such driver is learning to drive and is complying with the laws relating to learner drivers. The term licensed shall include the requirement of having a Professional Driving Permit in addition to a driver's license for those vehicle types requiring such permits by law

2. The company shall not be liable for any claim arising from contractual liability, unless such liability would have attached to the insured notwithstanding such contractual agreement.

Specific condition

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

Office Contents

Defined events

1. Loss of or damage to the contents (other than documents as defined in sub-section C if insured thereunder and electronic data processing equipment) including landlord's fixtures and fittings the property of the insured or for which they are responsible and, unless otherwise stated in the schedule, to the extent that the same is not otherwise insured, property owned by any partner or director or employee of the insured up to an amount of R3 500 per person while contained in the offices and/or consulting rooms situated as stated in the schedule (hereinafter called the office premises) by any of the perils specified in sub-section A.
2. Loss of or damage to the whole or part of the property insured under item C and defined in sub-section C and the consequences thereof insured under item D and as described in sub-section D.
3. Loss and/or expenditure described in sub-sections B and E.

Definition

Electronic data processing equipment is limited to computers and all related hardware, peripherals and computer software and the information or data stored therein or thereon.

Sub-section A Contents

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow excluding loss of or damage to property arising from its undergoing any process necessarily involving the use or application of water.
3. Earthquake but excluding loss of or damage to property in the underground workings of any mine.
4. Aircraft and other aerial devices or articles dropped therefrom.
5. 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.
6. Accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.

Limitations clause

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

Specific condition

Average (not applicable to peril 6 above nor to the theft or the theft by forcible entry extensions if on a first loss basis)

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

Specific exceptions (applicable to sub-section A)

This sub-section does not cover

- (a) property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi
- (b) designs, patterns, models or moulds (except to the extent that the said articles are insured in terms of subsection A), stock in trade, samples, motor vehicles and accessories therefor, money, securities, stamps, jewellery or precious stones
- (c) the first 10% of the indemnifiable amount or R500 whichever is the greater if the loss or damage is due to lightning strikes.

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Sub-section B Rent

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

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

Sub-section C Documents

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

Definition

The term documents shall mean

films, tapes, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates, documents and similar written, printed or otherwise inscribed papers and documents used by the insured in the business and owned by them or for which they are responsible excluding money, current postage or revenue stamps, cancelled and uncanceled coupons, securities, bearer bonds, cheques, drafts and any written order to pay a sum certain in money and any written evidence of indebtedness or obligation and all property carried or held as samples or for sale or for delivery after sale and computer software and computer data carrying media unless otherwise stated in the schedule.

Limitations clause

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

Specific exceptions (applicable to sub-section C)

This sub-section does not cover

- (a) loss or damage caused by
 - (i) electric or electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings except by lightning in which case the lightning loss or indemnifiable amount will be reduced by the greater of 10% of such amount and R500
 - (ii) vermin or inherent defect or by processing, copying or other work upon the documents
 - (iii) the dishonesty of any principal, partner or director of the insured whether acting alone or in collusion with others. This exception shall not apply to any director who is also an employee of the insured and whom the insured has the right at all times to govern, control and direct in the performance of his work in the service of the insured and in the course of the business
- (b) gradual deterioration or wear and tear
- (c) costs involved in reshooting films and videos and rerecording audio tapes.

Sub-section D Legal liability documents

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

Specific exception (applicable to sub-section D)

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

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Sub-section E Increase in cost of working

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

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

Clauses and extensions

Alterations and misdescription clause

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy whether due to the transfer of processes or machinery or by virtue of structural alterations, repairs to buildings, machinery or plant, provided that notice is given to the company as soon as practicable after such event and the insured agrees to pay additional premium if required.

Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to the property for an amount not exceeding 20 per cent of the sum insured thereon, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Fire extinguishing charges clause

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

Locks and keys clause

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

provided that

- (i) the company's liability shall not exceed R3 000 in respect of any one event
- (ii) the company shall not be liable for the first R250 of each and every event.

New and additional premises clause

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

provided that

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

Removal of debris clause

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

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the property affected.

The company will not pay for any costs or expenses

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

Temporary removal clause

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

Temporary repairs and measures after loss clause

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

Tenants clause

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

Replacement value condition

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

or

the repair of the contents to a condition substantially the same as but not better than its condition when new provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the contents had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the time of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

Malicious damage extension

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

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

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the said immovable property or any part thereof with the intention of stealing any part thereof provided that this extension does not cover

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

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

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

During the period of the initial unoccupancy of 30 consecutive days, the insured shall become a co-insurer with the company and shall bear a proportion of any damage equal to 20% of the claim with a maximum of R5 000 000 before deduction of any first amount payable.

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

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

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

provided that this extension does not cover:

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

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

Theft by forcible entry extension (if stated in the schedule to be included)

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

7. Theft accompanied by forcible and violent entry into or exit from the offices and/or consulting rooms or any attempt thereat or as a result of theft (or any attempt thereat) following violence or threat of violence provided that
 - (i) the company will not be liable under this extension for theft or attempted theft by any principal, partner, director or employee of the insured

Office Contents

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

Theft extension (if stated in the schedule to be included)

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

7. Theft or any attempt thereof other than by any principal, partner, director or employee of the insured provided that
 - (i) the amount payable will be reduced by the first amount payable shown in the schedule for this extension
 - (ii) the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

Memorandum

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

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

Personal All Risks

Defined events

Loss of or damage to the whole or part of the property described in the schedule belonging to the insured, his/her spouse and/or members of his/her family who are financially dependent upon the insured and normally residing with the insured caused by any accident or misfortune not otherwise excluded while anywhere in the world.

Definitions

1. Specified property

- (a) any property more specifically described in the schedule
- (b) money and/or negotiable instruments up to an amount of R1 000 (one thousand rand).

2. Non-specified property

- (a) clothing
- (b) personal effects worn or designed to be carried on or by the person
- (c) personal equipment belonging to the insured and normally worn or used by the person participating in sport
- (d) purchases of clothing, groceries and foodstuff, domestic goods, picnic baskets (and contents) and travelling rugs whilst the property mentioned is in transit away from the insured's residence and loss is caused by theft

Provided that:

no single article shall exceed 25% (twenty five percent) of the sum insured.

Extensions

1. Pedal cycles

This section covers loss of or damage to pedal cycles and non-motorised scooters not exceeding R2 500 (two thousand five hundred rand) unless specified as a separate item in the schedule

Provided that:

the company shall not be liable for loss of or damage to accessories and spare parts by theft or burglary unless the pedal cycle or non-motorised scooter is stolen at the same time.

2. Collections

(a) Stamps

If a stamp collection is described in the schedule to be included:

- (i) the company will only be liable if one or more completed pages of the collection are lost or damaged
- (ii) the company's liability for any one stamp will not exceed two-thirds of the value stated in any current recognised catalogue up to R7 500 (seven thousand five hundred rand) any one stamp

(b) Coins

If a coin collection is described in the schedule to be included the company will not be liable for:

- (i) current coins
- (ii) more than R7 500 (seven thousand five hundred rand) for any one coin.

3. Contents of caravan and/or luggage trailer

If the contents of a caravan and/or luggage trailer are specified in the schedule to be included the following apply to those items:

3.1 property insured means household goods belonging to the insured or for which he/she is responsible

Personal All Risks

while in the caravan or attached side tent and/or luggage trailer

3.2 the company will not be liable for:

- (a) theft of property insured while the caravan or side tent is unoccupied unless there is forcible and violent entry
- (b) theft of property insured out of luggage trailers unless there is forcible and violent entry
- (c) more than R1 000 (one thousand rand) or 25% (twenty five percent) of the sum insured whichever is the greater, for any one article
- (d) the permanent fixtures and fittings of the caravan
- (e) stamp and/or coin collections, money, documents, jewellery, furs or any article more specifically insured
- (f) loss or damage caused by fraud or dishonesty by any person to whom the caravan and/or luggage trailer is on loan or hire.

4. Car radios

If sound reproduction equipment (including 1 (one) tape or compact disc) fitted in a motor vehicle is described in the schedule to be included Specific exception 9 below does not apply to that item.

5. Household goods in transit

Cover in terms of definition 2(d) above is extended to include theft of household goods belonging to the insured and in his/her custody or control whilst in transit.

6. Riot and strike (If stated in the schedule to be included)

In consideration of the payment of an additional premium and subject otherwise to the terms and conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

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

Provided that this extension does not cover:

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

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

Specific exceptions

The company shall not be liable for:

1. loss or damage caused by wear and tear or depreciation
2. consequential loss or consequential damage of any nature
3. gradual deterioration including the action of light, atmospheric or climatic conditions
4. damage to any working machine or any working part caused by mechanical, electronic or electrical breakdown, failure or breakages

Personal All Risks

5. rust or corrosion
6. deterioration occasioned by moth, vermin, insects or larvae
7. loss or damage arising from any process of cleaning, dying, repairing or restoring
8. cracking, scratching or breakage of glassware or other articles of a brittle nature (other than jewellery and cameras and cracking, scratching or breakage of spectacles) unless caused by fire or theft
9. property insured lost from an unattended motor vehicle by theft or attempted theft unless the vehicle is locked and there is violent and forcible entry to the vehicle

If the insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence shall be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of the cab or boot of the vehicle

10. contact lenses, cellular telephones, tools, stamp and coin collections unless specifically insured and specified in the schedule
11. any loss, damage, cost or expense directly or indirectly arising from detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, SA Police Services, crime prevention units or other officials or authorities
12. loss or damage to cash, bank notes, currency notes, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts, securities or any kind of travel tickets unless described in the schedule to be included
13. loss or damage to photographic and optical equipment whilst the equipment is being used for commercial or professional purposes or expeditions of discovery or research or underwater photography
14. loss or damage to motor vehicles, trailers, caravans, hang gliders, air and watercraft other than surf boards and paddle skis.

Specific conditions

1. Replacement value

In the event of property insured under this section being lost or damaged, the basis upon which the amount payable under this section is to be calculated shall be the cost of replacing or reinstating property of the same kind or type but not superior to or more extensive than the insured property when new, subject to all the other terms and conditions of this section except in so far as they may be varied hereby.

2. Safe deposit (If stated in the schedule to be included)

If cover indicated against a specified item in the schedule is BANK, insurance under this section only applies when such item is contained in a safe deposit in a bank or locked in a safe deposit or strong room of the insured when not being carried on the insured.

3. First amount payable

- (a) clothing and personal effects
 - (i) other than theft out of any vehicleR250
 - (ii) theft out of any vehicle accompanied by visible, forcible and violent entry to or exit from such vehicleR250
- (b) any specified item(s) stated in the schedule (excluding pedal cycles/non-motorised scooters, contact lenses, cellular phones, motor radios, tape players and similar equipment or motor car telephones and contents of caravans and luggage trailers)NIL
- (c) pedal cycles / non-motorised scooters - specified or not.....R250
- (d) cellular telephonesR500
- (e) contact lensesR250
- (f) motor radios, tape players and equipment of a similar nature and motor telephones 10% of claim minimum R350

Personal All Risks

(g) contents of caravans and luggage trailers.....R250
or the first amount payable stated in the schedule, whichever is the greater.

4. Non-forcible and violent entry from vehicle (If stated in the schedule to be included)

Specific exception 9 shall not apply to goods in the cab or boot of the vehicle where the insured maintains that the vehicle was locked but no evidence of forcible and violent entry or exit from the vehicle exists, provided that:

- (a) the police case number is supplied to the company;
- (b) this extension shall only apply to property that is separately and individually specified in the schedule;
- (c) after the deduction of the first amounts payable specified in the schedule, the liability of the company is further restricted to the lesser of 50% (fifty percent) of the claim or R10 000 (ten thousand rand) in respect of any one event.

Personal Liability

Defined events

The company shall indemnify the insured against all sums which the insured shall in his private capacity become legally liable to pay for compensation in respect of:

- (a) accidental death of or bodily injury or illness to any person other than a person being the insured or any member of the insured's family or household or in the employment of the insured if such death, bodily injury or illness arises out of and in the course of such employment and/or
- (b) physical loss of or physical damage to tangible property other than property belonging to or leased, let, rented, hired or lent to or held in trust by or being in the care or custody or control of the insured or any person in the employ of the insured or any member of the insured's family or household

occurring at any time during the period of insurance within the territorial limits and which is caused by or through the fault or negligence of the insured, his wife or any member of his family normally residing with him

Provided that:

the liability of the company for all compensation payable to any one claimant or any number of claimants inclusive of all legal costs awarded to any claimant or incurred in the defence of any claim that is contested by or with the consent of the company in respect of or arising out of any one occurrence or in respect of or arising out of all occurrences of a series consequent upon or attributable to one source or original cause, shall not exceed the amount stated in the schedule.

Territorial limits

Anywhere in the world.

Specific exceptions

The indemnity afforded under this section shall not apply to nor include claims for compensation in respect of:

1. liability assumed by the insured by agreement excluding any liability assumed in terms of a written contract entered into with any organisation providing security, armed response or garden services unless such liability would have attached to the insured notwithstanding such agreement
2. any fines or penalties or punitive, exemplary or vindictive damages

Provided that:

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

3. (a) claims for compensation, legal costs and expenses in respect of death, any injury, illness, loss or damage directly or indirectly caused by or by means of or as a result of or originating from or attributable to seepage, pollution or contamination provided always that this specific exception shall not apply to claims for compensation and/or legal costs and expenses in respect of the accidental death of or bodily injury to or illness of any person or accidental physical loss of or damage to tangible property where such seepage, pollution or contamination is caused by a sudden unintended and unforeseen occurrence during the period of insurance
- (b) any costs of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence

Provided that:

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

4. claims for compensation and legal costs and expenses in respect of death, injury or illness attributable to a gradual working cause which did not occur from a sudden and identifiable accident or occurrence
5. claims for injury or damage which is the direct or indirect consequence of:
 - (a) aircraft (except model aircraft), vehicles, trailers, motorboats, yachts or vessels
 - (b) the ownership or occupation of any land or buildings

Personal Liability

- (c) the pursuit or exercise of any trade, occupation, business or profession
- (d) wilful or malicious acts
- (e) cycles (other than pedal cycles used for social, domestic or pleasure purposes) or animals (other than dogs or cats attached to the household)
- (f) explosives, rifles and firearms.

Extensions

1. Wrongful arrest or search

Notwithstanding anything to the contrary contained in this section the company will indemnify the insured against all sums for which the insured becomes legally liable to pay for damages resulting from the wrongful arrest or alleged wrongful arrest or search of any person (including assault in connection therewith)

Provided that:

the liability of the company for all compensation and damages and all costs and expenses of litigation and all other costs and expenses shall be limited to R25 000 (twenty five thousand rand) in respect of any one claim or series of claims arising out of one event subject to a maximum of R50 000 (fifty thousand rand) during any 12 (twelve) months period of insurance.

2. Fire extinguishing charges

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

3. Hole-in-one

This section covers a payment of R2 500 (two thousand five hundred rand) if the insured scores a hole-in-one playing as an amateur on any recognised golf course affiliated to a provincial golf union during a game played in terms of the official rules of golf provided that the company receives written confirmation from the secretary of the club.

4. Credit cards and credit vouchers

This section is extended to indemnify the insured and spouse against all sums for which the insured and spouse shall become legally liable to pay as compensation in respect of the unlawful use by any person, not related to the insured and spouse, of credit, cash or SIM (subscriber identity module) cards and/or credit vouchers officially issued in the name of the insured and/or spouse by any credit institution

Provided that:

- (a) the company shall not be liable under this contingency unless the insured and spouse, to whom the aforesaid credit, cash or SIM (Subscriber Identity Module) cards and/or credit vouchers were issued, shall have complied with the terms and conditions under which such credit, cash or SIM (subscriber identity module) cards and/or credit vouchers were issued
- (b) the liability of the company under this contingency for all compensation payable (irrespective of the number of claimants claiming compensation) in any 12 (twelve) months period of insurance shall not exceed the sum of R7 500 (seven thousand five hundred rand).

5. Full house

This section covers a payment of R2 500 (two thousand five hundred rand) if the insured forming part of a rink (team of four) which, playing as amateurs, scores a full house (that is, all eight bowls to count) in a game of bowls in any competition played in terms of the rules of the South African Bowling Association, at any recognised bowling club provided that the company receives written confirmation from the secretary of the club.

Public Liability (Claims made Basis)

Defined events

Damages which the insured shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person (hereinafter termed injury), or accidental loss of or physical damage to tangible property (hereinafter termed damage) which occurred in the course of or in connection with the business within the territorial limits and on or after the retroactive date shown in the schedule, and which results in a claim or claims first being made against the insured in writing during the period of insurance.

The limits of indemnity

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

Territorial limits

Anywhere in the world but not in connection with

(i) any business carried on by the insured at or from premises outside
or

(ii) any contract for the performance of work outside

the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

Specific exceptions

The company will not indemnify the insured in respect of

1. liability consequent upon injury to any person employed by the insured under a contract of service or apprenticeship and arising from and in the course of such employment by the insured
2. damage to
 - (a) (i) property belonging to the insured
 - (ii) property in the custody or control of the insured or any employee of the insured
 - (b) that part of any property on which the insured is or has been working if such damage results directly from such work
3. liability consequent upon injury or damage
 - (a) caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the insured
 - (b) caused by or through or in connection with the ownership, possession or use by or on behalf of the insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft, locomotive or rolling stock, provided that this exception shall not relieve the company of liability to indemnify the insured in respect of liability consequent upon injury or damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such injury or damage is not insured by any other insurance policy
 - (c) caused by or through or in connection with
 - (i) the refuelling of aircraft
 - (ii) the ownership, possession, maintenance, operation or use of aircraft or an airline
 - (iii) the ownership, hire or leasing of any airport, airstrip or helicopter pad
 - (d) caused by or through or in connection with goods or products (including containers and labels) sold or supplied and happening elsewhere than on premises occupied by the insured other than food and drink supplied incidentally for consumption on the premises
 - (e) occurring after the completion and handing over of any work and caused by or through or in connection with any defect or error in or omission from such work

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4. damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure
5. liability assumed by agreement (other than under the insured's own standard conditions of contract) unless liability would have attached to the insured notwithstanding such agreement
6. (a) liability in respect of injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence
(b) the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence.

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

7. fines, penalties, punitive, exemplary or vindictive damages
8. (a) damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland
(b) costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in 8(a) above
9. any claim arising from an event known to the insured
(a) which is not reported to the company in terms of General condition 6
(b) prior to inception of this section
10. any claim (in the event of cancellation or non-renewal of this section) not first made in writing against the insured within the 48-month period (or extended period in respect of minors) as specified in specific condition 2
11. the first amount payable.

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

Memorandum

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

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

Specific conditions

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

Public Liability (Claims made Basis)

treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 48-month period specified in 2(a) above.

3. Any series of claims made against the insured by one or more than one claimant during any period of insurance consequent upon one event or series of events with one original cause or source shall be treated as if they all had first been made against the insured
 - (a) on the date that the event was reported by the insured in terms of General condition 6
 - or
 - (b) if the insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the insured.

Extensions

Extended reporting option

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

- (a) this option may only be exercised in the event of the company cancelling or refusing to renew this section
- (b) this option must be exercised by the insured in writing within 30 days of cancellation or non-renewal
- (c) once exercised, the option cannot be cancelled by either the insured or the company
- (d) the insured has not obtained insurance equal in scope and cover to this section as expiring
- (e) the company shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal
- (f) claims first made against the insured or any reported event by the insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal
- (g) the total amount payable by the company for claims made or reported events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the cancellation or non-renewal
- (h) any claim made, following a reported event during the extended reporting period, which is first made against the insured in writing more than 48 months after the last day preceding cancellation or non-renewal, shall not be subject to indemnification by this extension. If the claimant is a minor, the period of 48 months is extended until the expiry of 12 months after the attainment of majority by the claimant.

Additional insured

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

- (a) in the event of the death of the insured, any personal representative of the insured in respect of liability incurred by the insured
- (b) any partner or director or employee of the insured (if the insured so requests) against any claim for which the insured is entitled to indemnity under this insurance
- (c) to the extent required by the conditions of any contract (and notwithstanding Specific exception 5), and in connection with any liability arising from the performance of the contract, any employer named in any contract entered into by the insured for the purposes of the business
- (d) in respect of the activities of any social or sports club, welfare organisation, first aid, fire or ambulance service, canteen or the like, belonging to or formed by the insured for the benefit of their employees,
 - (i) any officer or member thereof
 - (ii) any visiting sports team or member thereof

provided that

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

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

Security firms

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

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

Cross liabilities

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

Tool of trade

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

Employees' and visitors' property

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

Liability by agreement

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

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

Unattached trailers

Specific exception 3(b) shall, as far as it relates to trailers, not apply in respect of any trailer not attached to and

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not having become unintentionally detached from any mechanically propelled vehicle, provided that the company shall not be liable hereunder in respect of so much of any liability

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

Emergency medical expenses

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

Car parks

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

Tenant's liability

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

Products liability (if stated in the schedule to be included)

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

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

Additional specific exceptions (applicable to products liability extension)

This extension does not cover liability

- (i) for the cost of repair, alteration, recall or replacement of the goods or products (including containers and labels) causing injury or damage
- (ii) for the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the goods or products (including containers and labels) and any other property essential to such repair, alteration or replacement unless physically damaged by the goods or products
- (iii) (a) arising from defective or faulty design, formula, plan or specification, but if the insured is a retailer this specific exception (iii) does not apply if the insured's activities are wholly restricted to sales, distribution and/or marketing (including any marketing advisory service accompanying the products) of the product, and the insured's activities do not include final preparation which means repackaging, packing, labelling, cleaning or provision of operating instructions prior to sale to the insured's original customers, nor include any enhancement, amendment or alteration to the product
(b) arising from inefficacy or failure to conform to specification, unless such inefficacy or failure is due to negligence in the following of such specification
- (iv) arising from goods or products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft
- (v) in respect of injury or damage happening in the United States of America or Canada caused by or through or in connection with any goods or products sold or supplied by or to the order of the insured, if such goods

Public Liability (Claims made Basis)

or products have, to the insured's knowledge, been exported to the United States of America or Canada by or on behalf of the insured.

Defective workmanship liability (if stated in the schedule to be included)

Specific exceptions 2(b) and 3(e) are deleted.

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

Additional specific exceptions (applicable to defective workmanship liability)

This extension does not cover liability

- (i) for the cost of rectifying or recalling defective work
- (ii) arising from inefficacy of such work or because the work did not produce the result anticipated or claimed
- (iii) arising prior to the handing over of such work
- (iv) arising from defective design
- (v) arising from any work on any aircraft or part thereof.

Legal defence costs (if stated in the schedule to be included)

If the insured so requests, the company will indemnify any employee, partner or director of the insured against costs and expenses not exceeding the amount stated in the schedule incurred by or on behalf of such person with the consent of the company in the defence of any criminal action brought against such person in the course of his occupation with the insured arising from an alleged contravention of the statutes as herein defined during the period of insurance

provided that

- (i) in the case of an appeal, the company shall not indemnify such person unless a senior counsel approved by the company shall advise that such appeal should, in his opinion, succeed
- (ii) the company shall not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any loss consequent thereon
- (iii) such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this policy and this section thereof in so far as they can apply.

The Statutes

The Occupational Health and Safety Act No. 85 of 1993 (as amended),

The Mines and Works Act No. 27 of 1956 (as amended),

The Electricity Act No. 41 of 1987 (as amended),

and/or any other Act or Ordinance pertaining to the supply of Electricity

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

Wrongful arrest and defamation (if stated in the schedule to be included)

The defined events are extended to include damages

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

provided always that the limits of indemnity as stated shall not exceed R75 000 under each of (i) and (ii) and R150 000 in any one (annual) period of insurance.

EU Liability (if stated in the schedule to be included)

Subject otherwise to the terms and conditions and limitations, the following changes are made to this section of the policy in respect of "injury" or "damage" (as insured by the products liability extension) which results from goods or products exported to any European Union (EU) country or any European Free Trade Association (EFTA)

Public Liability (Claims made Basis)

country.

1. Specific exceptions 8(a) and 8(b) shall not apply to damages or costs and expenses of litigation recovered by any claimant in respect of judgements delivered in the first instance in courts of the EU or EFTA
2. In respect of these goods or products (other than raw materials), the insured shall
 - (a) implement and maintain a system in terms of which these goods or products can be clearly identified by batch number or serial number or date stamp or other similar manner
 - (b) note and maintain a record of the date on which the actual goods or products were first put into circulation.

This record shall be maintained so as to provide the required detail for a minimum period of 10 years after the goods or products were first put into circulation.
3. The information mentioned in 2, together with all supporting documentation, shall be made available to the company or their nominee at any time on request.
4. In respect of this indemnity, the insured shall be responsible for the first amount payable shown in the schedule for this extension.

Public Liability (Occurrence Basis)

Defined events

Damages which the insured shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person (hereinafter termed injury), or accidental loss of or physical damage to tangible property (hereinafter termed damage) occurring within the territorial limits during the period of insurance in the course of or in connection with the business.

Limits of indemnity

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

Territorial limits

Anywhere in the world but not in connection with

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

Specific exceptions

The company will not indemnify the insured in respect of

1. liability consequent upon injury to any person employed by the insured under a contract of service or apprenticeship and arising from and in the course of such employment by the insured
2. damage to
 - (a) (i) property belonging to the insured
 - (ii) property in the custody or control of the insured or any employee of the insured
 - (b) that part of any property on which the insured is or has been working if such damage results directly from such work
3. liability consequent upon injury or damage
 - (a) caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the insured
 - (b) caused by or through or in connection with the ownership, possession or use by or on behalf of the insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft, locomotive or rolling stock, provided that this exception shall not relieve the company of liability to indemnify the insured in respect of liability consequent upon injury or damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such injury or damage is not insured by any other insurance policy
 - (c) caused by or through or in connection with
 - (i) the refuelling of aircraft
 - (ii) the ownership, possession, maintenance, operation or use of aircraft or an airline
 - (iii) the ownership, hire or leasing of any airport, airstrip or helicopter pad
 - (d) caused by or through or in connection with goods or products (including containers and labels) sold or supplied and happening elsewhere than on premises occupied by the insured other than food and drink supplied incidentally for consumption on the premises
 - (e) occurring after the completion and handing over of any work and caused by or through or in connection with any defect or error in or omission from such work
4. damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure

Public Liability (Occurrence Basis)

5. liability assumed by agreement (other than under the insured's own standard conditions of contract) unless liability would have attached to the insured notwithstanding such agreement
6. (a) liability in respect of injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence.
(b) the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence
This exception shall not extend the policy to cover any liability which would not have been insured under this policy in the absence of this exception.
7. fines, penalties, punitive, exemplary or vindictive damages
8. (a) damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland
(b) costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in 8(a) above
9. the first amount payable.
The insured shall be responsible for the first amount payable as stated in the schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or original cause. The provisions of this clause shall apply to claims arising from damage and shall apply to costs and expenses incurred by the insured.

Memorandum

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

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

Extensions

Additional insured

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

- (a) in the event of the death of the insured, any personal representative of the insured in respect of liability incurred by the insured
- (b) any partner or director or employee of the insured (if the insured so requests) against any claim for which the insured is entitled to indemnity under this insurance
- (c) to the extent required by the conditions of any contract (and notwithstanding Specific exception 5), and in connection with any liability arising from the performance of the contract, any employer named in any contract entered into by the insured for the purposes of the business
- (d) in respect of the activities of any social or sports club, welfare organisation, first aid, fire or ambulance service, canteen or the like, belonging to or formed by the insured for the benefit of their employees,
 - (i) any officer or member thereof
 - (ii) any visiting sports team or member thereof

provided that

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

For the purposes of this extension, the company waives all rights of subrogation or action which they may have or acquire against any of the above, and each party to whom the indemnity hereunder applies shall observe,

Public Liability (Occurrence Basis)

fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this insurance in so far as they can apply.

Security firms

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

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

Cross liabilities

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

Tools of trade

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

Employees' and visitors' property

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

Liability by agreement

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

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

Unattached trailers

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

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

Public Liability (Occurrence Basis)

Emergency medical expenses

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

Car parks

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

Tenant's liability

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

Products liability (if stated in the schedule to be included)

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

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

Additional specific exceptions (applicable to products liability extension)

This extension does not cover liability

- (i) for the cost of repair, alteration, recall or replacement of the goods or products (including containers and labels) causing injury or damage
- (ii) for the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of goods or products (including containers and labels) and any other property essential to such repair, alteration or replacement unless physically damaged by the goods or products
- (iii) (a) arising from defective or faulty design, formula, plan or specification, but if the insured is a retailer this specific exception (iii) does not apply if the insured's activities are wholly restricted to sales, distribution and/or marketing (including any marketing advisory service accompanying the products) of the product, and the insured's activities do not include final preparation which means repackaging, packing, labelling, cleaning or provision of operating instructions prior to sale to the insured's original customers, or include any enhancement, amendment or alteration to the product
(b) arising from inefficacy or failure to conform to specification, unless such inefficacy or failure is due to negligence in the following of such specification
- (iv) arising from goods or products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft
- (v) in respect of injury or damage happening in the United States of America or Canada caused by or through or in connection with any goods or products sold or supplied by or to the order of the insured, if such goods or products have, to the insured's knowledge, been exported to the United States of America or Canada by or on behalf of the insured.

Defective workmanship liability (if stated in the schedule to be included)

Specific exceptions 2(b) and 3(e) are deleted.

The amount payable under this extension, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with the company's consent,

Public Liability (Occurrence Basis)

for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

Additional specific exceptions (applicable to defective workmanship liability)

This extension does not cover liability

- (i) for the cost of rectifying or recalling defective work
- (ii) arising from inefficacy of such work or because the work did not produce the result anticipated or claimed
- (iii) arising prior to the handing over of such work
- (iv) arising from defective design
- (v) arising from any work on any aircraft or part thereof.

Legal defence costs (if stated in the schedule to be included)

If the insured so requests, the company will indemnify any employee, partner or director of the insured against costs and expenses not exceeding the amount stated in the schedule incurred by or on behalf of such person with the consent of the company in the defence of any criminal action brought against such person in the course of his occupation with the insured arising from an alleged contravention of the statutes as herein defined during the period of insurance

provided that

- (i) in the case of an appeal, the company shall not indemnify such person unless a senior counsel approved by the company shall advise that such appeal should, in his opinion, succeed
- (ii) the company shall not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any loss consequent thereon
- (iii) such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this policy and this section thereof in so far as they can apply.

The Statutes

The Occupational Health and Safety Act No. 85 of 1993 (as amended)

The Mines and Works Act No. 27 of 1956 (as amended)

The Electricity Act No. 41 of 1987 (as amended)

and/or any other Act or Ordinance pertaining to the supply of Electricity

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

Wrongful arrest and defamation (if stated in the schedule to be included)

The defined events are extended to include damages

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

provided always that the limits of indemnity as stated shall not exceed R75 000 under each of (i) and (ii) and R150 000 in any one (annual) period of insurance.

EU Liability (if stated in the schedule to be included)

Subject otherwise to the terms and conditions and limitations, the following changes are made to this section of the policy in respect of "injury" or "damage" (as insured by the products liability extension) which results from goods or products exported to any European Union (EU) country or any European Free Trade Association (EFTA) country.

1. Specific exceptions 8(a) and 8(b) shall not apply to damages or costs and expenses of litigation recovered by any claimant in respect of judgements delivered in the first instance in courts of the EU or EFTA.
2. In respect of these goods or products (other than raw materials), the insured shall
 - (a) implement and maintain a system in terms of which these goods or products can be clearly identified by batch number or serial number or date stamp or other similar manner
 - (b) note and maintain a record of the date on which the actual goods or products were first put into circulation.

Public Liability (Occurrence Basis)

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

3. The information mentioned in 2, together with all supporting documentation, shall be made available to the company or their nominee at any time on request.
4. In respect of this indemnity, the insured shall be responsible for the first amount payable shown in the schedule for this extension.

Stated Benefits

Defined events

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

The company will pay to the insured, on behalf of such person or his estate, the compensation stated in the schedule in the event of accidental bodily injury to any such person directly and independently of all other causes resulting within 24 calendar months in death or disability as specified in the schedule under the heading circumstances.

Definitions

Permanent disability shall mean	Percentage of compensation
(a) loss by physical separation at or above the wrist or ankle of one or more limbs _____	100
(b) permanent and total loss of	
whole eye _____	100
sight of eye _____	100
sight of eye except perception of light _____	75
(c) permanent and total loss of hearing	
both ears _____	100
one ear _____	25
(d) permanent and total loss of speech _____	100
(e) injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training _____	100
(f) loss of four fingers _____	70
(g) loss of thumb (one or both phalanges) _____	25
(h) loss of index finger (one, two or three phalanges) _____	10
(i) loss of any other finger (one, two or three phalanges) – each finger _____	6
(j) loss of metacarpals - first, second, third, fourth or fifth (additional) _____	5
(k) loss of toes	
all on one foot _____	30
great, one or both phalanges _____	5
other than great, if more than one toe lost, each _____	5

Memoranda

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

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

Medical expenses shall mean all costs and expenses necessarily incurred for artificial aids, prostheses, medical, surgical, dental, nursing home or hospital treatment (including costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) as a result of bodily injury and incurred within 24 months of the defined event.

Annual earnings shall mean the annual rate of wage, salary and cost of living allowance being paid or allowed by the insured to such person at the time of accidental bodily injury, plus overtime, house rents, food

Stated Benefits

allowances, commissions and other considerations of a constant character paid or allowed by the insured to such person during the 12 months immediately preceding the date of accidental bodily injury.

Average weekly earnings shall mean one fifty-second part of annual earnings.

Business limitation (if stated in the schedule to be applicable)

This section applies only in respect of accidental bodily injury to such person arising from and in the course of his employment in the business.

Provisos

It is declared and agreed that

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

Extensions

1. Exposure

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

2. Disappearance

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

Stated Benefits

3. Burns disfigurement (if stated in the schedule to be included)

Subject to the exclusion shown below, the following item is added to the definition of permanent disability:

	Percentage of compensation
(l) permanent disfigurement resulting from accidental external burns to the combined surface area of the	
(i) face and neck	
100% surface area disfigurement _____	60
less than 100% surface area disfigurement _____	the proportion of 60 which the actual surface area disfigurement bears to 100% surface area disfigurement
(ii) remaining parts of the body other than the face and neck	
100% surface area disfigurement _____	30
less than 100% surface area disfigurement _____	the proportion of 30 which the actual surface area disfigurement bears to 100% surface area disfigurement

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

4. Life support machinery

Notwithstanding anything contained in the defined events, the 24-month period stated therein shall not include any period or periods where the death of such person is delayed solely by the use, for periods of not less than three consecutive days, of life support machinery, equipment or apparatus.

Specific exceptions

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

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

Theft

Defined events

Loss of or damage to all contents (the property of the insured or for which they are responsible) of any insured building at the insured premises described in the schedule as a result of theft accompanied by forcible and violent entry into or exit from such building or any attempt thereat or as a result of theft, or any attempt thereat, following violence or threat of violence.

Extensions

1. The insurance under this section extends to cover loss of or damage to the property insured
 - (a) caused or accompanied by
 - (i) a thief or thieves being concealed on the insured premises before close of business
 - (ii) entry to and/or exit from the premises being effected by use of a skeleton key or other similar device (excluding a duplicate key) provided that the insured shall establish to the satisfaction of the company that such a skeleton key or device was used
 - (b) whilst in a building at any additional premises used by the insured provided that
 - (i) such additional premises are advised to the company within 30 days from the time the risk attaches to the company
 - (ii) an additional premium, if any, is paid
 - (iii) the company's liability in respect of this extension shall not exceed 50% of the highest amount stated in the schedule applicable to any one premises.
 2. In addition to the limit of indemnity stated in the schedule
 - (a) the insurance under this section includes
 - (i) damage to the buildings (including landlord's fixtures and fittings) at the insured premises in the course of theft or any attempt thereat
 - (ii) loss of buildings, landlord's fixtures and fittings at the insured premises as a result of theft accompanied by forcible and violent entry into or exit from such building or any attempt thereat or as a result of theft, or any attempt thereat, following violence or threat of violence
 - (b) the company will reimburse the insured all reasonable costs and expenses in effecting such temporary repairs and in taking such temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under this section

provided that the company's liability shall not exceed the greater of R5 000 and the amount stated in the schedule in respect of any one event.
 3. In addition to the limit of indemnity stated in the schedule the company will indemnify the insured in respect of the cost of replacing locks and keys to any insured premises following upon the disappearance of any key to such premises or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key
- provided that
- (a) the company's liability shall not exceed R3 000 in respect of any one event
 - (b) the company shall not be liable for the first R250 of each and every event.
4. The term all contents includes personal effects, tools and pedal cycles which are the property of the insured or any principal, partner, director or employee of the insured in so far as such property is not otherwise insured up to an amount of R5 000 in the case of any one person.

Limitations

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

Theft

Specific exceptions

The company shall not be liable for

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

Specific conditions

1. This section shall be voidable if the nature of the risk is materially altered without the prior written consent of the company.
2. In respect of any premises stated in the schedule to be subject to this condition, a burglar alarm shall be installed and it is a condition precedent to the liability of the company and warranted that
 - (a) the burglar alarm installed at the premises shall be made fully operative whenever the protected building(s) is/are not open for business unless a principal, partner, director or employee of the insured is in the protected building(s);
 - (b) the company shall not be liable for loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured unless such keys, keypad code or remote control were obtained by violence or threat of violence to any person or such keys, keypad code or remote control were obtained by theft;
 - (c) unless specifically stated to the contrary, all buildings on the premises are to be protected by the alarm;
 - (d) where the control panel has an event log the arming and disarming of the alarm shall be logged and after the occurrence of a claim, the company will be entitled to request full information of the relevant log;
 - (e) such alarm shall be maintained in proper working order but the insured will be deemed to have discharged their liability if they have maintained their obligations under a maintenance contract with the installation / service company of the alarm system.

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Defined events

Subject to the provisions of sub-sections A, B and C (basis of indemnification) - damages, costs, fees and expenses which the insured shall become legally liable to pay consequent upon

1. death of or injury to or illness, disease, false imprisonment or arrest of or to any person (hereinafter termed injury)
2. loss of or damage to tangible property, conversion, trespass, nuisance or wrongful interference with the enjoyment of rights over tangible property (hereinafter termed damage)
3. malicious legal proceedings, malicious falsehood, defamation, unfair competition or infringement of copyright, title, slogan or idea (hereinafter termed malice)
4. incorrect or inadequate advice given in the promotion of the insured's products, but without expectation of any other reward (hereinafter termed negligent advice)

which occur in the course of or in connection with the business within the territorial limits.

Limits of indemnity

The amount payable, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants and all other costs and expenses incurred with the company's consent

1. in respect of
 - (i) claims arising out of or in connection with
 - (a) products
 - (b) negligent advice
 - (c) liability consequent upon injury or damage occurring after the completion and handing over of any work and caused by or through or in connection with any defect or error in or omission from such work
 - (ii) claims under sub-section C additional risks protectionfor any one event or series of events with one original cause or source or in the aggregate during any one (annual) period of insurance
2. in respect of all other claims for any one event or series of events with one original cause or source (subject always to proviso (i) of sub-section A excess layer protection)

shall not exceed the limit of indemnity stated in the schedule

Definitions

Product shall mean any article after it has left the custody or control of the insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the insured;

Territorial limits shall mean anywhere in the world but not in respect of any demand, claim, judgement, award or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part);

Underlying insurance shall mean cover in force under those sections listed in the schedule under the heading "underlying insurance sections".

Basis of indemnification

Subject to the defined events, limits of indemnity, specific conditions and exceptions of this section as well as the general exceptions, conditions and provisions of this policy, the indemnity provided by this section is restricted to those circumstances defined under sub-sections A, B and C hereunder:

Sub-section A Excess layer protection

This sub-section provides indemnity in accordance with the defined events of this section in excess of the limit of indemnity of the underlying insurance provided that:

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- (i) the cover provided by this sub-section is subject to the same terms, exceptions and conditions as the underlying insurance and where such insurance states that generally or in respect of specified claims the limit of indemnity is the aggregate of all indemnifiable claims occurring or made during the (annual) period of such underlying insurance, then the limit of indemnity under this section is declared to be on an identical basis as such underlying insurance;
- (ii) the claim is covered by the underlying insurance and is not met in full solely because of the inadequacy of the limit of indemnity of such underlying insurance;
- (iii) where the limit of indemnity of the underlying insurance has been reduced by reason of previous claims, this sub-section shall provide indemnity in excess of such reduced limit of indemnity;
- (iv) where the limit of indemnity of the underlying insurance has been exhausted by reason of previous claims, the company will interpret this section as if such underlying insurance is still in force and this sub-section shall provide indemnity in excess of the first amount payable (if any) of such underlying insurance;
- (v) unless specifically agreed to by the company under this section, any decision by the company to accept a claim on an "ex gratia" or "without prejudice" basis in terms of the underlying insurance shall not be covered under this sub-section.

Sub-section B Difference in conditions

This sub-section provides indemnity in accordance with the defined events of this section for claims covered by the defined events of the underlying insurance but excluded by a subsequent policy term, exception or condition of such underlying insurance provided that:

- (i) where the limit of indemnity of the underlying insurance has been exhausted solely by reason of previous claims, the company will interpret this sub-section as if such underlying insurance's defined events and related terms, exceptions and conditions are still in force;
- (ii) where the underlying insurance is a public liability section on a claims made basis or an employers liability section, any policy term, exception or condition on the underlying insurance relating to when a claim is made or reported or must be made or reported shall also apply to this sub-section;
- (iii) if a claim is rejected under the underlying insurance on the basis of an exception relating to the inefficacy or failure to conform to specification of a product and such underlying insurance is on a losses occurring basis and the circumstances of the claim is such that the insured and the company cannot mutually agree when the loss occurred, then the company will deal with the claim on the basis that the loss occurred when the claimant first notified the insured of a circumstance or an event which subsequently gave rise to an indemnifiable claim;
- (iv) this sub-section will also provide indemnity where a claim is not covered by the wording of the defined events of the underlying insurance solely on the grounds that:
 - (a) the injury or damage was not accidental by nature or did not arise out of an accident (still subject to specific exception 5 of the specific exceptions applicable to sub-sections A, B & C);
 - (b) any temporary loss of use of property or reduction in value of property did not constitute damage within the said defined events.

Sub-section C Additional risks protection

This sub-section provides indemnity in accordance with the defined events of this section, other than for claims which are indemnifiable in whole or part by sub-sections A or B of this section or which are the subject of indemnity by any other policy provided that:

- (i) the indemnity granted by this sub-section is limited to claims made against the insured during the period of insurance of this section, or events or circumstances notified by the insured to the company during such period which subsequently give rise to claims being made;
- (ii) this sub-section will not provide indemnity where the company declines to grant indemnity in terms of the underlying insurance in respect of a claim on the grounds that the event did not occur or the claim was not made during the policy period (as the case may be).

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Extensions

Additional insured

The business description of the insured as reflected in the schedule shall include any organisation or functions operated by the insured for the benefit of the insured's employees or visitors (including but not limited to any social or sports club, welfare organisation, first aid, fire or ambulance service, canteen or the like) or for the protection or promotion of the insured's business activities, and the company will also indemnify, if the insured so requests (and subject to the company's consent which consent shall not be unreasonably withheld), as though a separate policy has been issued to each:

- (a) in the event of the death of the insured, any personal representative of the insured in respect of liability incurred by the insured;
- (b) any partner, director or employee of the insured in that capacity against any claim for which the insured is entitled to indemnity under this insurance or any such person in their private capacity arising out of any temporary engagement (undertaken with the insured's consent) of the insured's employees;
- (c) to the extent required by the conditions of any contract, any person or party named in any contract entered into by the insured for the purposes of the business;

provided that

- (1) the aggregate liability of the company is not increased beyond the limits of indemnity stated in the schedule;
- (2) any person or organisation to which this extension applies is not entitled to indemnity under any other policy;
- (3) the indemnity under (a), (b) and (c) applies only in respect of liability for which the insured would have been entitled to indemnity as if the claim had been made against the insured;
- (4) each party to whom the indemnity hereunder applies shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this insurance and the underlying insurance in so far as they can apply.

Cross liabilities

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

Emergency medical expenses

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

Specific exceptions applicable to sub-sections A, B and C

The company will not indemnify the insured in respect of

1. fines, penalties, punitive, exemplary or vindictive damages;
2. any liability if the transport of hazardous substances was not in compliance with chapter VIII of the National Road Traffic Act 1996 (Act 93 of 1996) (as amended);
3. any defined event which occurs prior to the retroactive date which is applicable to the underlying insurance;
4. any liability arising out of any circumstance or event known to the insured:
 - (a) which is not reported to the company in terms of any claims reporting requirement or condition contained in the general section of this policy
 - (b) prior to inception of this section.
5. any liability arising out of any deliberate or intentional failure of the insured or the insured's management to take reasonable precautions to prevent injury, damage, defamation or negligent advice;

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6. any benefits for which the insured is liable under any relevant workmen's compensation, unemployment compensation or disability benefits law and/or similar law and/or scheme;
7. so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply notwithstanding that no insurance under such enactment is in force or has been effected;
8. any liability arising out of the carriage of passengers for hire or reward or the carriage of fare paying passengers;
9. any liability for loss or damage including detrimental change and any consequence therefrom to any electronic data;
10. any liability arising out of the spread of fire from the insured's premises to sugar cane, plantations or forests;
11. any liability consequent upon injury or damage directly or indirectly caused by or in connection with or arising from or attributable to hunting or game viewing activities

Specific exceptions applicable to sub-sections B and C only

The company will not indemnify the insured in respect of

1. any liability for injury of or to employees caused by or contributed to by a gradually operating cause or by prolonged exposure to substances, factors or circumstances which do not arise from a sudden and identifiable accident or event;
2. any liability caused by or through or in connection with the ownership, possession, operation or use by or on behalf of the insured of any motor vehicle or trailer;
3. any liability for any unfair labour practice including but not limited to unfair dismissal within the meaning of the Labour Relations Act No. 66 of 1995 as amended, or any Act passed in substitution thereof;
4. injury or damage happening in the United States of America or Canada caused by or through or in connection with any product, if such product has, to the insured's knowledge, been exported to the United States of America or Canada by or on behalf of the insured or such sale or resale should reasonably be contemplated by the insured;
5. any liability caused by or through or in connection with the ownership, possession, operation or use by or on behalf of the insured of any aircraft, watercraft or hovercraft (other than watercraft not exceeding 15,25 metres in length and then only whilst on inland waterways) but this exception shall not apply to liability for injury of or to employees of the insured arising out of such employment;
6. any liability caused by or through or in connection with the repair, maintenance, refuelling or defuelling of any aircraft, watercraft or hovercraft undertaken by or on behalf of the insured as a revenue producing activity but this exception shall not apply to liability for injury of or to employees of the insured arising out of such employment;
7. acts, errors or omissions of the directors or officers of the insured when acting in their capacity as such or in the provision by the insured of professional services which shall include giving advice, any action taken or work done by the insured when carrying on their functions in any capacity involving special skill or knowledge in their calling or the failure to discharge any obligations pursuant thereto. This exception does not apply to negligent advice as defined in the defined events of this section;
8. (a) any liability 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 and provided that such sudden, unintended and unforeseen occurrence is not the natural consequence of the operation or existence of the business
(b) the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence and provided that such sudden, unintended and unforeseen occurrence is not the natural consequence of the operation or existence of the business

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

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9. damage to property owned, leased or hired by or under hire purchase or on loan to the insured or otherwise in the insured's care, custody or control other than premises (or the contents thereof) temporarily occupied by the insured for work therein or other property temporarily in the insured's possession for work thereon (but no indemnity is granted for damage to the property on which the insured is working and which arises out of such work).
10. any costs necessary to repair, replace, recondition or modify any product (including containers and labels) or part thereof and/or for the loss of use of any product or part thereof;
11. any costs or liability arising out of the recall of any product (including containers and labels) or part thereof;
12. any liability arising out of performance warranties or guarantees or clauses stipulating liquidated damages or penalties, except to the extent that it is proved that such liability would have existed in the absence of such contractual provision;
13. losses excluded by an exception on the underlying insurance where such cover is available by an optional extension, examples including but not limited to Products liability and Defective workmanship liability. Where cover under such optional extension has however been taken, indemnity for losses excluded by an exception to such optional extension will be provided for in terms of sub-section B;
14. losses excluded by any exception on the underlying insurance that restates a general exception, an example being the restated general exception relating to war, riot and terrorism;
15. any liability for any circumstance, not being a standard policy exception that has been specifically excluded under the underlying insurance by the company for the particular insured.
16. the first amount payable (The insured shall be responsible for the first amount payable as stated in the schedule in respect of any one claim or any number of claims other than for injury arising from all events of a series consequent upon or attributable to any one source or original cause.

Specific conditions

1. Any dispute between the insured and the company in connection with or arising out of this section shall be decided exclusively in accordance with the law of the country in which this policy is issued and exclusively by a competent court of the High Court of that country.

The insured undertakes that they will not institute action against the company nor bring joint proceedings against the company in the court of any country other than in the country in which this policy is issued;

2. Cover under this section shall cease if the insured's business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the company;
3. The indemnity granted by this section is conditional upon the underlying insurance remaining in force throughout the period of insurance and that the limits of indemnity in terms of the underlying insurance shall not be less than those reflected under the heading "Minimum underlying insurance limits of indemnity" contained in the schedule. If, at the date of loss, the limit of indemnity in terms of the underlying insurance is less than the said minimum limits, then the insured shall be considered as being their own insurer for the difference.
4. If, at the time of any event giving rise to a claim under this section, indemnity for such event is also provided under any other insurance (other than a policy to specifically provide indemnity in excess of this section), the indemnity provided by this section shall be in excess of, and shall not contribute with, such other insurance. Insurance specifically to provide indemnity in excess of this section is permitted without prejudice to this insurance and the existence of such specific excess insurance shall not reduce the company's liability under this section.