

# SPECIALIST INSURANCE FOR THE VINE INDUSTRY:

## LOSS OF/OR DAMAGE TO WINE AND RELATED PRODUCTS, WINE TANKS AND RELATED PROPERTY

### DEFINED EVENTS (I)

- A. Accidental physical loss of or damage to the insured property at or about the premises but not:
1. if otherwise insured
  2. for wine and related products, wine tanks and related property (equipment) for which insurance is available in terms of the following sections:
    - Fire
    - Buildings combined
    - Office contents
    - Business interruption
    - Electronic equipment
    - Machinery breakdown
    - Deterioration of stock
    - Fidelity
  3. cover obtainable under any marine policy or the cost of such marine policy
  4. loss of or damage to wine in transit except in transit by means of forklifts between buildings on the insured premises.

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

And

provided that the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every event

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.

# DEFINITION OF INSURED PROPERTY

- Wine and related products the property of the insured or custody and/or control and for which they are responsible as well as;
- wine tanks, wine barrels, bottles or any wine receptacles;
- cat walks, stallations and related property containing aforementioned property;
- machinery, Separators and "Sak-van-Pers", piping and relevant equipment being used during wine making process;

(as stated in the schedule individualy)

## SPECIFIC EXCEPTIONS (APPLICABLE TO DEFINED EVENTS (I))

The company shall not be liable for:

(a) any peril excluded or circumstance precluded from the following sections:

- Fire
- Buildings combined
- Office contents
- Business interruption
- Electronic equipment
- Machinery breakdown
- Deterioration of stock
- Fidelity

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 containers in which wine is transported, 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) denting, chipping, scratching or cracking not affecting the operation of the item;
  - (vi) termites, moths, insects, vermin. This exclusion will not apply to wine and related products.
  - (vii) inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light.
- (f) damage to property as a result of:
- fault or defect in its design, formula, specification, drawing, plan, materials,
  - faulty or defective workmanship or professional advice,
  - normal maintenance,
  - gradual deterioration, depreciation, corrosion, rust,
  - its own wear and tear
  - frost
- (g) damage to property as a result of:
- oxidation or other chemical action or reaction, change in temperature, expansion or humidity,
  - fermentation or germination, dampness, dryness,
  - wet or dry rot,
  - shrinkage,
  - evaporation,
  - loss of weight,
  - pollution,
  - change in color, flavor, texture or finish
- (unless caused by sudden unforeseen incident not otherwise excluded).
- (h) settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any insured property;
- (i)
- (i) loss of or damage to chemicals, oils, liquids, fluids (other than wine and related products and Glycol), gases or fumes due to leakage or discharge from its container;
  - (ii) loss or damage resulting from leakage or discharge of chemicals, oils, fluids (other than wine and related products and Glycol), gases or fumes.
- (j) failure of and/or the deliberate withholding and/or lack of suppliers of water, steam, gas, electricity, fuel or refrigerant
- (k) loss of or damage to wine and related products following the use of defective or unsuitable grapes in the manufacturing process;

- (l) delivery or recall costs;
- (m) commissions;
- (n) consequential loss of any nature whatsoever;
- (o) theft of wine in bottles or boxes except as a result of theft accompanied by forcible and violent entry into or exit from any building or any attempt thereat.

## SPECIFIC CONDITIONS

### Wine and related products

1. In the event of loss or damage the scope of the loss in respect of wine and related products will be determined as follows:
  - (a) White wine and related products:
    - (i) Estate wines: fixed value as determined by the insured, inclusive of the cost of bottling (where applicable)
    - (ii) Export wine already sold and for which payment has already been received – contract price inclusive of the cost of bottling (where applicable).
2. Sums insured are to be calculated in terms of Specific condition 1 above and, where applicable, includes customs and excise. Claims are settled on the basis on which the sum insured was determined.

All of the above will take into account any savings that may be applicable (for example but not limited to savings on bottling costs and/or labeling and/or labour).

### Any other insured items

#### Replacement value condition

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.

## WARRANTIES

### A. Wine and related products

1. Warranted that loss or damage arising due to the fermentation of sulphuric sweet moss is subject to the following:
  - (a) the SO<sub>2</sub> composition may not be less than 1200 mg/l
  - (b) an analysis of the SO<sub>2</sub> composition of the sweet moss must be done at least once a week and a record thereof is to be kept;

- (c) sweet moss shall be stored in stainless steel tanks with 316 stainless steel hoops, fiberglass or cladded cement tanks and/or cladded soft steel tanks;
  - (d) storage tanks must be filled to capacity at all times.
2. Warranted that export wine is analyzed in accordance with the standards laid down by the purchaser. Analyses must be performed by the "SGS" or alternatively the VI at Nietvoorbij Experimental Farm or an internationally accredited laboratory.
  3. Warranted that sealed samples (minimum of 12 bottles per holding tank) of all bulk export wine that is to be bottled overseas is kept by the insured for a minimum period of six months.
  4. Warranted that all export wine complies in all respects with the legal requirements of the country to which it is exported.
  5. Warranted to be claim-free in respect of defective wine where the defect can be traced back to the stabilisation process.

## 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.

## DEFINED EVENT (II) (if stated in the schedule to be included)

Notwithstanding Specific Exception (i)(i) and (i)(ii) it is hereby declared and agreed that:

Accidental physical loss of or damage to the insured property of the Insured or for which he is responsible caused by discharge or leakage from tanks, pipes or apparatus of chemicals, oils, liquids, fluids, gases or fumes (other than wine and related products and glycol), including loss of such chemicals, oils, liquids, fluids, gases or fumes, excluding loss or damage resulting from wear and tear or other gradually operating causes of the tanks, pipes or apparatus.