



Commercial Underwriting Managers (Pty) Ltd



Commercial Buildings | Body Corporate | Sectional-Title Policy



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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, death or bodily injury or liability directly or indirectly related to or caused by
- (i) civil commotion, labor disturbances, riot, strike, lockout or public disorder or any actor activity which is calculated or directed to bring about any of the a 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;
(a) Insurrection, rebellion or revolution,
 - (iv) any act (whether on behalf of any organization, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;
 - (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 organization or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

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

2 Nuclear and Nuclear Energy

This policy excludes Nuclear Energy Risks, whether such risk are written directly and/or by way of reinsurance pools and/or vial Pools and or Associations.

For all purposes of this policy Nuclear Energy Risk shall mean all insurances (other than Workers Compensation and Employers Liability) in respect of:

- (i) All Property on site of a nuclear power station.
- (ii) Nuclear Reactors, reactor buildings and plant and equipment therein or on any site other than a nuclear power station.
- (iii) All property , on any site (Including but not limited to the sites referred to in (i) above) used or having been used for:
 - (a) The Generation of nuclear energy or
 - (b) The production, use or storage of nuclear material.
- (iv) Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association; but only to the extent of the requirements of that Local Pool and /or Association
- (v) The Supply of Goods and Services to any of the sites, described in (I) to (III) above, unless such insurance shall exclude the perils of irradiation and contamination by Nuclear Material.
- (vi) Except under-noted, Nuclear Energy Risks shall not include:
 - (a) Any Insurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of Property as described in (I) to (III) above (including contractors' plant and equipment)
 - (b) Any Machinery Breakdown or other Engineering insurance not coming within the scope of (I) above.

Provided Always That Such Insurance Shall Exclude the Perils of Irradiation and Contamination by Nuclear Material.

However, the above exemption shall not extend to:

- (i) The provision of any insurance whatsoever in respect of:
 - a. Nuclear Material;
 - b. Any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or for the Reactor Installations – as from Fuel loading or first criticality where so agreed with the relevant local Nuclear Insurance Pool and/or Association.
- (ii) The Provision of any insurance for the under-noted perils:
 - (a) Fire , Lightning, Explosion;
 - (b) Earthquake;
 - (c) Aircraft and other aerial devices or articles dropped therefrom;
 - (d) Irradiation and radioactive contamination;
 - (e) Any other peril insured by the relevant local Nuclear Insurance Pool and/or Association

In respect of any Property not specified in (a) above which directly involves the production, use or storage of Nuclear Material as from the Introduction of Nuclear Materials into such Property.

Definitions:

“Nuclear Material” Means

- (i) Nuclear Fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material; and

Radioactive Products or Waste.

- (i) “Radioactive Products or Waste” means any radioactive Material produced in, or any material radioactive by exposure to the radiation incidental to the production or utilisation of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purposes.

“Nuclear Installation” means:

- (i) Any Nuclear Reactor
- (ii) Any Factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material , Including any factory for the reprocessing of irradiated nuclear fuel; and
- (iii) Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

“Nuclear Reactor” means:

- (i) Any Structure containing nuclear fuel in such an arrangements that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

“Nuclear Production use or Storage of Nuclear Material” means:

- (i) The Production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

“Property” Shall mean:

- (i) All Land, buildings, structures, plant, equipment, vehicles, contents (including but not limited to liquids and gases) and all materials of whatever description whether fixed or not.

“High Radioactivity Zone or Area: Means:

- (i) For Nuclear Power Stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its supports and shrouding) and all contents therefor, the fuel elements, the control rods and the irradiated fuel store; and
- (ii) For Non-Reactor Installations, any area where the level of radioactivity requires the provision of a biological shield.

Additional Nuclear Exclusions:

Unless specifically agreed in respect of an insured loss involving Nuclear Material under determined circumstances, this policy does not cover Legal Liability, Loss (including consequential loss) or damage, costs or expense caused directly or indirectly by any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

Nuclear Material, Nuclear Fission or Fusion, Nuclear Radiation, Nuclear Waste from the Nuclear Fuels, Nuclear Explosives or any Nuclear Weapon:

In Addition to the above Exclusion, this policy does not cover Legal Liability, loss (Including consequential loss) or damage, costs or expense, caused directly or indirectly by or contributed to by or arising from ionising radiation or contamination from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

Definitions:

“Nuclear Material:” as defined in NMA 1975 (A)

“Nuclear Fission” means a nuclear reaction in which a heavy nucleus splits spontaneously or on impact with another particle with the release of energy.

“Nuclear Fusion” Means a nuclear reaction in which atomic nuclei of low atomic number fuse to form a heavier nucleus with the release of energy.

“Nuclear Radiation” means the absorption of electromagnetic radiation by a nucleus having a magnetic moment when in an external magnetic field...

“Nuclear Waste” as defined in NMA 1975 (A)

“Nuclear Fuels” means a substance that will sustain a fission chain reaction so that it can be used as a source of nuclear energy.

“Nuclear Explosives” means an explosive reaction involving the release of energy by nuclear fission or fusion or both.

“Nuclear Weapon(s)” means a nuclear device designed, used or capable of being used for the inflicting of bodily harm or property damage.

Radioactive Exclusion Clause

This Insurance does not cover loss, damage, cost or expense cause directly or indirectly by any of the following, regardless of any cause or event contributing concurrently or in any other sequence to the loss:

Nuclear material, nuclear fission or fusion, radiation, nuclear waste from the use of nuclear fuels, nuclear explosives or any nuclear weapon.

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 program errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programs, 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 unauthorized code or instruction including any Trojan horse, time or logic bomb or worm or any other destructive or disruptive code, media or program 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, and earthquake or by the special perils referred to below or indemnified by the Glass, Employer's Liability, and Stated Benefits. Group Personal Accident or Motor section is not excluded by this General exception.

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

1. Storm, wind, water, hail or snow excluding damage to property
 - a. arising from its undergoing any process necessarily involving the use or application of water;
 - b. caused by tidal wave originating from earthquake or volcanic eruption;
 - c. in the underground workings of any mine;
 - d. in the open (other than buildings structures and plant designed to exist or operate in the open); Unless so described and specifically insured as such
 - e. in any structure not completely roofed; as separate item
 - 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, These special perils do not cover wear and tear or gradual deterioration.

d, e & f - Unless so described and specifically insured as a separate item.

- (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 and Sub-section D (liability) of the Buildings Combined section, Personal Accident section, Stated Benefits Section and Personal Accident Extension under the Money Section of the policy]

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 actual or alleged 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. Infectious Epidemics/Pandemics exclusion (casualty Classes)

This insurance excludes any loss, damage, cost or expense directly or indirectly arising out of, contributed by or resulting from any infectious epidemic/pandemic (if classified either way by an appropriate national or international body/agency) which leads to:

- (i) The imposition of quarantine or restriction in movement or people or animals by any national or international body or agency ; and / or
- (ii) Any travel advisory or warning being issued by a national or international body or agency and in respect of (i) (ii) any fear or threat thereof (whether actual or perceived).

If insurers allege that by reason of this exclusion any loss is not covered by this insurance policy / contract, the burden of proving the contrary rest upon the insured.

6. Infectious Epidemics / Pandemics (Property Classes)

This insurance excludes any loss, damage, cost or expense directly or indirectly arising out of, contributed by or resulting from any infectious epidemic/pandemic (if classified either way by an appropriate national or international body/agency)

For the purpose of this exclusion clause Infectious Epidemics shall mean the sudden, unexpected, large scale manifestation of any initially locally contained, infectious disease relating to people which spreads very rapidly and with great virulence.

If insurers allege that by reason of this exclusion any loss is not covered by this insurance policy / contract, the burden of proving the contrary rest upon the insured

7. Transmission and Distribution Line Exclusion

This insurance excludes any loss, damage, cost or expense directly or indirectly arising out of, contributed by or resulting from all transmission and distribution lines, including wires, cables, poles, pylons, standards, towers and any equipment of any type which may be attendant to such installations, including sub-stations of any description.

This exclusion includes but is not limited to transmission or distribution of electrical power, telephone or telegraph signals and mast, and all communication signals whether audio or visual.

This exclusion applies to above ground equipment which are more than 150 meters (or 500 feet) from an insured structure.

This exclusion applies both to physical loss or damage to the equipment and all business interruption consequential loss, and/or other contingent losses related to transmission and distribution lines.

It is understood and agreed that public utilities extensions and/or supplier's extension and/or contingent business interruption coverages are not subject to this exclusion, provided that these are not part of a "transmitters" or "distributors" policy providing distribution or transmission of such public utilities.

8. Pollution and Contamination Exclusion Clause

- (i) This Insurance shall not cover any loss or damage due to contamination, pollution, soot, deposit, impairment with dust, chemical precipitation, adulteration, poisoning, impurity, epidemic and disease or due to any limitation or prevention of the use of objects because of hazards of health.
- (ii) This exclusion does not apply if such loss or damage arises as a consequence of
 - a. The Perils
 - i. Fire , Lightning, Explosion, Impact of Aircraft
 - ii. Vehicle Impact , sonic boom
 - iii. Accidental escape of water from any tank apparatus or pipe
 - iv. Riot, civil commotion, malicious damage
 - v. Storm , hail
 - vi. Flood , inundation
 - vii. Earthquake
 - viii. Landslide , subsidence
 - ix. Snow , pressure, avalanche
 - x. Volcanic eruption or
 - b. A physical damage of the type insured by the original policy which occurred on the insured premises
 - c. If a peril not excluded from the original policy arises directly from pollution and/or contamination any loss damage arising directly from that peril shall be covered.
 - d. All other terms and conditions of this insurance shall be unaltered and especially the exclusions shall not be superseded by this clause.

9. SASRIA / NASRIA

- (i) Territories where SASRIA SOC Ltd. and or/ National Special Risk Insurance Association covers apply.

Material Damage and Consequential loss directly or indirectly related to or caused by any of the perils that fall within the scope of cover granted by the SASRIA LOC Ltd. and/or the National Special Risk Insurance Association.

- (ii) Territories where SASRIA SOC Ltd and /or National Special Risk Insurance Association covers do not apply
 - a. Material Damage and Consequential loss arising in respect of:
 - I. Any Act (whether on behalf of any organisation, body, person or group of persons) calculated or directed to overthrow or influence the State or Government, or any Provincial, local or tribal Authority with force, or by means or fear, terrorism or violence.
 - II. 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 Set or Government, or any Provincial, Local or Tribal Authority, or for the purpose of inspiring fear in the public, or any section thereof.
 - III. Any attempt to perform any act referred to in 7. (ii). a (i) & 7. (ii) . a (ii) above
 - IV. The act of any lawfully established authority in controlling, preventing suppressing or in any way dealing with the occurrences referred to in point (i), (ii), and (III) above.

Notwithstanding any provisions of this policy including any exclusions, exceptions or extension or other provision not included herein which 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 (8) 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 (8) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

10. Sanction Limitation and Exclusion Clause LMA 3100 (As Amended)

The insurer 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 insurer to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union.

This shall also apply to the trade or economic sanctions, laws or regulations enacted by the United Kingdom and the United States of America, insofar as this extension does not violet any regulation or specific national law applicable to the insurer.

General Conditions

1. Misrepresentation, misdescription and non-disclosure

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

The following list is an indication of facts, t the company considers material, that may affect our decision, but is not limited to only these facts:

- a) Misrepresentation of any material facts and details that could affect the risks of the business(es) insured.
- b) Not notifying the company immediately about a change to the financial positions of the insureds, principals, directors, partners or employees such as sequestration, financial administration orders, civil judgments, liquidation(s) of companies or individuals in which the insured has an interest in and / or liability to pay debts;
- c) Failure to notify the company of any damages to insured property, whether these damages may lead to a claim or not under this policy and are material to the risk(s) insured, and for which a claim has been intimated by the insured, or the principles, partners, directors or employees of the insured.
- d) Not notifying the company immediately about any criminal investigation and/or conviction of any of the principles, partners, directors or employees of the insured covered in terms of this policy, in which the insured has an interest in and/or liability to pay debts such as driving under the influence of alcohol or drugs and fraud
- e) Not notifying the company immediately after any changes in the value of an item other than normal economic factors, location, security, condition, ownership.
- f) The failure of the insured, or principles, partners, directors or employees of the insured to adhere to any applicable law, regulation, by-law or rule, where such failure is material to the loss/damage

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 ratable proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of average, this policy, if not already subject to any condition of average, shall be subject to average in like manner.

3. A. Cancellation

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

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

The premium is due in advance and, if it is not received by the company 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, the first day of

- i. each third
- ii. each sixth or
- iii. 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 incidents, accidents or losses that may give rise to a claim under this policy.

- a. The insured must at all times take all reasonable steps and precautions in;
 - i. maintaining the property/s and items insured under this policy in good condition and state of repair;
 - ii. Safeguarding the property/s and items insured under this policy and ensuring that every item is afforded a level of due care and protection commensurate with the value of such property or insured item;
 - iii. Preventing or minimising accidents, bodily injury, illness, loss of, or damage to, insured property and items.
- b. There is an obligation upon the insured to comply with and adhere to all Laws, and Regulations which are material to the risks insured.
 - i. The insured warrants that all Laws, Regulations, By-Laws and Rules that apply to the insureds business(es) and other matters for which cover is provided in terms of this policy, (irrespective of whether the Laws, Regulations, By-Laws and rules are in force at the date from which this policy is issued, or are enacted thereafter), shall be adhered to at all times.
 - ii. The failure to adhere to any applicable Law, Regulation, By-Law or Rule, shall entitle the insurer/underwriting managers to reject any claim where such failure to comply with the applicable Laws, Regulations, By-Laws or Rules are material to such claim or loss,
 - iii. Should the insured not adhere to these obligations, the company may void the whole or any part of this policy and/or sections as from inception or date of, or the date of change of the policy, or the date of the rejection of a claim.

The Statutes, Applicable Laws, By-laws, regulations and rules shall include but is not limited to

- a) The National Building Regulations of the Republic of South Africa – SANS 10400 (as amended)
- b) The Occupational Health and Safety Act No. 85 of 1993 (as amended)
- c) The Mines and Works Act No. 27 of 1956 (as amended)
- d) The Electricity Act No. 41 of 1987 (as amended), and the provisions and regulations made in terms of the compliance to an Electrical Certificate of Compliance (COC) as required. And requested and/or any other act or Ordinance pertaining to the supply of Electricity
all as read in conjunction with the Criminal Procedures Act no. 51 of 1977 (as amended)

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) It is warranted that all claims or losses shall be reported to the Insurer(s) within a reasonable time period, not exceeding 30 (thirty) days from the date of the loss or the date when the damage had occurred, and provide particulars of any other insurance covering such events as are hereby insured 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
 - (ii) Within 30 days after the event (or such further time as the Company may in writing allow.) Submit to the company full details in writing of such claim or loss.
 - (iii) give the company such proofs, information and sworn declarations as the company may require and forward to the company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim
- b. No claim (other than a claim under the business interruption, fidelity, stated benefits or group personal accident section or the personal accident (assault) extension under the money section, if applicable) shall be payable after the expiry of 24 months or such further time as the company may, in writing allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- c. No claim shall be payable unless the insured claims payment by serving legal process on the company within 6 months of the rejection of the claim in writing and pursues such proceedings to finality.
- d. If, after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called on to do so by the company, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by the company. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay to the company all amounts paid in respect of the claim.

6. Company's rights after an event

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 authorized 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 license 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 by the company or riot.
- (ii) take over and conduct in the name of the insured the defense 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

- i. 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.
- ii. 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.

7. 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 willful act or with the connivance of the insured, the benefit afforded under this policy in respect of any such claim shall be forfeited.

8. 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.

9. 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.

10. 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 or 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.

11. Collective Insurances

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

"give the leading insurer on behalf of the insurers such proofs, information and sworn declaration as the insurers may require and forward to the leading insurer immediately any notice of claim or any communication, writing, 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 authorized 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 license 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 defense 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 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 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 insurer shall thereafter not be under further liability in respect of such event.

12. Alteration of the risk

- (iii) The insured is obligated to notify the Company immediately in writing within 30 days of any change in material risk. The Company will confirm all changes in writing
- (iv) When it is brought to the Company's attention, or if the insured notifies the Company of change in material risk, the Company has the right to adjust the extent of the cover and to/ or increase the premium from the date of change.
- (v) If the insured refrains from notifying the Company of the above mentioned change of risk, the Company will be entitled to turn down any claim arising from such change of risk.
- (vi) NOTIFICATION OF STEPS TO REDUCE OR CONTROL THE RISK

The Company has the right to give the insured 30 (thirty) day unilateral written notification to take and set in action precautions to either reduce or control the risk. If such precautionary measures are not set in action within the required period, the cover concerning the Specific Section of the Policy, will be cancelled automatically.

14. Confiscation, Nationalisation, Liquidation, Forfeiture and Commandeering

The company shall not be liable for loss or damage resulting from any permanent and/or temporary loss, damage, cost or expense directly or indirectly caused by detention, confiscation, Nationalisation, requisition, liquidation, commandeering or forfeiture by any lawfully constituted authority and / or customs or other official authorities.

General Provisions

a. Claims preparation costs

The insurance by each section of this policy is extended to include costs reasonable 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 R1000 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 finalization of any claim, payments on account may be made to the insured, if required, at the discretion of the company.

c. First amount payable

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

d. Members

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

e. Liability under more than one section

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

f. Meaning of words

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

g. Premium payment

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

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

h. Holding covered

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

i. Schedule sums Insured blank

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

- i. left blank or has no monetary amount stipulated against it
- ii. reflected as nil or not applicable or not covered or no indemnity extended

This means the defined event or circumstance shown in the schedule is not insured by the policy.

j. Security firms

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

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

The Term "Insured" or "The Insured"

As far as possible in relation to all General Exceptions, General Conditions, General Provisions and terms and conditions applicable to this policy; the Term "insured" or "The Insured" includes any authorised person(s) acting on behalf of the insured, including all principals, partners, directors and employees of the insured and the insured's related business.

Buildings Combined Section

Defined Events

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

Sub section A Property

1. Fire, lightning, thunderbolt, subterranean fire, explosion
2. Storm, wind, water, hail or snow other than
 - (a) that arising from its undergoing any process necessarily involving the use or application of water
 - (b) wear and tear or gradual deterioration
 - (c) loss or damage
 - (i) to retaining walls
 - (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 term 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 extension. During the period of the initial unoccupancy of 30 consecutive days the insured shall become co-insurer with the company and shall bear a rateable proportion of any damage equal to 20% of the claim before deduction of any first amount payable,
7. Accidental damage to sanitary ware, but the amount payable will be reduced by R250 for each and every such damage.

Specific conditions (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

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 un-tenantable (including partially un-tenantable) but only for the period necessary for reinstatement and for an amount not exceeding 25 per cent of the sum insured on the affected property. The basis of calculation shall be the rent payable immediately preceding the damage or its equivalent in rental value.

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 if indemnity

The amount payable inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants and other costs 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 **R1000000**

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 and 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.
 - 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, pollution 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
4. Fines, penalties, punitive, exemplary or vindictive damages
5. Damages as stated here below;
 - (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 5(a) above.

Memoranda to sub-section D

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

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 - Buildings as defined.

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 or R500.00 whichever is the greater.

For the purposes hereof, any damage insured shall be deemed to have been caused by subsidence or landslip, 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 attributed 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 provisions of this extension, any damage is not covered by this insurance, the burden of proving the contrary shall be upon insured.

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

if property within a 10km radius of the premises stated in the schedule is lost or damaged by a peril defined in sub-section A during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, the company will pay any loss of rent the insured may incur as a result thereof up to an amount 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 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 15 per cent of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

Capital additional clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property for an amount not exceeding 15 percent of the sum insured thereon, it being understood that the insured undertake to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Cost of demolition and clearing and erection of boarding clause

The insurance under this section includes cost 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 boarding 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 security 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.

Escalation & Inflation of the sum insured of the Insured Building

During the current period of insurance The Insurers' liability for paying claims is based on the value of the property insured which is lost or damaged limited to the amount provided in the insured contract value for such property. Insurers agree to pay the actual escalation in value as a result of escalation in the value of materials and labour provided always that such increase in indemnity shall not exceed 10% of the original value unless otherwise stated in the Policy Schedule

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 other regulations under, or framed in pursuance of, any act of parliament or ordinance of any provincial, municipal or other local authority, providing that

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.
3. 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 afore said regulations so necessitate) subject to the liability of the company under this clause not being thereby increased.
 4. 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.
 5. 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 the reasonable dispatch, otherwise no payment beyond the amount which would have been payable if these reinstatements 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 any 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 ratable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision
4. These conditions shall be without force or effect if,
 - (a) the insured fails to intimate to the company within six months of the date of damage, or such further time as the company may in writing, allow, their intention to replace or reinstate the property
 - (b) the insured are unable or unwilling to replace or reinstate the property on the same or another site

Temporary removal clause

Except in so far as otherwise insured, landlord's fixtures and fittings are covered while temporary 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.

Tenant's clause

The company's liability to the insured shall not be affected by any act or omission on the part of 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 the 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 willful 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 the insured occasioned by or through or in consequence of
 - a) the removal or partial removal any attempt thereof
 - b) the demolition or partial demolition or any attempt thereof of the said immovable property or any part thereof with the intention of stealing any part thereof

Provided that this extension does not cover

- (a) loss or damage related to or caused by fire or explosion
- (b) consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured
- (c) loss or damage resulting from total or partial cessation of work or the retarding 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.

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 providing the contrary shall rest on the insured.

If any building insured or containing the insured property becomes unoccupied for 30 consecutive day 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 un-occupancy of 30 consecutive days the insured shall become a co-insurer with the company and shall bear a proportion of any damage equal to 20% of the claim before deduction of any first amount payable.

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, labor 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

Additional benefits included following damage by an insured peril;

Security Guards Extension

Following the loss of or damaged to the insured building, as a result of an insured peril, the company shall cover the cost to employ security guards following an incident giving rise to a claim limited to R7 500 per event, when specifically claimed for under the BUILDINGS COMBINED SECTION where the following limits will apply:

Limit per event: R 7 500.00
Limit per day: R350
Annual Limit: R15, 000

Generator Hire

This extension provides cover for the rental of a generator following any damage through an insured peril to the Electrical supply system installed on the insured property necessitating the need to hire a generator and its ancillary connectors and power cables, in order to allow electrical power supply to be restored to the same or similar state the insured property was in prior to any damage to the electrical installation had occurred; the company will cover the reasonable costs to hire such generator for the maximum period required in order to restore /repair the electrical installation back to the original state that it was prior to the incident that gave rise to the damage. The maximum amount payable shall be stated on the policy schedule.

Provided this extension is subject to the following limitations:

- (i) a maximum limit of R 15 000.00 per event or the maximum limit stated in the policy schedule per event
- (ii) Limited to two events per year.
- (iii) A first amount payable of R 1500.00 per event

Landscaped Gardens

Loss of or damage to landscaped gardens, curbing and/or garden paving,

In the event of loss of or damage by fire, allied perils, explosion, damage or impact by vehicles, and or aircraft and or aerial devices or articles dropped there from to landscaped garden(s) ...

Or

If during the course of firefighting or reinstatement of the insured property it becomes necessary to damage such garden(s) the company shall pay the reasonable cost for reinstatement and or repair of such a garden.

Provided that this extension is subject to the following limitations:

- (i) a maximum limit of R 10 000.00 per event
- (ii) Limited to two events per year.
- (iii) First amount payable of R 1000.00

Removal of Trees

In the event of loss of or damage to the insured property as a result of an insured peril, the company shall pay the reasonable cost of removal of trees and tree trunks the result of an insured loss subject to the following:

This extension does not cover

- 1. Gradual deterioration of trees
- 2. Trees damaged or fallen over or having to be removed as a result of excavation, alteration, renovation, improvements and construction at the insured premises.
- 3. Endangered species of trees
- 4. Trees growing or planted next to or within 1 metre of any water reticulation and /or infrastructure system or municipal electrical installation or system
- 5. Cover shall be limited to the maximum amount of R 5000.00 or sum insured stated in the policy schedule, and a first amount payable of R 1000.00 per event.
- 6. Trees causing damage to any municipal water or electrical reticulation and/or infrastructure systems.

Removal and storage costs of undamaged contents

In the event of loss of or damage to the insured building as a result of an insured peril, the company will pay the reasonable cost of moving such undamaged contents and equipment to a designated place of safety or safekeeping subject to the following:

This extension shall not cover

- 1. Contents or equipment stored or kept in the open, unless such contents or equipment are so designed to be kept or operated in the open.
- 2. Theft, unless equipment and contents are locked in a fully enclosed building and such theft is subject to forcible and or violent entry into or exit from such building
- 3. All contents or equipment moved to a place or storeroom that is further than 10kms away from the insured building.
- 4. Contents , equipment or items damaged as a result of an insured peril
- 5. Cover shall be limited to the maximum amount of R 5000.00 or sum insured stated in the policy schedule, and a first amount payable of R 500.00.

Building material awaiting installation – subject to the insured implementing all required protections to prevent accidents or losses.

In the event of loss of or damage to buildings materials intended for the use of repair , maintenance, renovation additions/alterations to the insured building, as a result of an insured peril, the company will pay the reasonable cost of moving such building materials to a designated place of safety or safekeeping subject to the following:

This extension shall not cover

- 1. Damage to materials stored or kept in the open, unless such building materials are so designed to be kept or operated in the open.
- 2. Theft, unless materials are locked in a fully enclosed building and such theft is subject to forcible and or violent entry into or exit from such building
- 3. All materials moved to a place or storeroom that is further than 10kms away from the insured building.
- 4. Building materials covered under a Contractors All Risk Policy (CAR) or any policy of a similar nature
- 5. Cover shall be limited to the maximum amount of R 10 000.00 or sum insured stated in the policy schedule and a first amount payable of R 500.00.

Loss of residential water

In the event of loss of or damage as a result of an insured peril, to water pipes, bursting or leakage of water pipes, resulting in the loss of excessive water for residential use; the company will pay the reasonable additional cost for the loss of residential water subject to the following policy conditions:

1. The loss of water shall be represented by the amount of litres in excess of the average residential municipal metered water use over a period of 6 months for the period leading up to the loss.
2. Such water loss shall be caused by an insured peril.
3. Water loss as a result of excavation, renovation, alteration or construction at the insured premises shall not be covered under this extension.
4. Water loss as a result of swimming pools, burst or leaking geysers and storage tanks, toilet systems and taps, shall not be covered under this extension.
5. Cover for vacant properties are excluded
6. Cover for arrear or unpaid utility bills are excluded
7. Deliberate, wilful or wanton acts of sabotage are excluded
8. Cover shall be limited to the maximum amount of R 5 000.00 or sum insured stated in the policy schedule and a first amount payable of R 500.00

Replacement of Locks, keys, tags, & remote control access devices

In the event that loss of or damage as a result of an insured peril to locks, keys, tags, remote control access devices belonging to the insured building; the company shall pay the reasonable cost of replacement, repair or reinstatement of such lock, keys, tags and remote control access devices, subject to the following:

- (i) Maximum limit of R 5 000.00 per event, limited to 2 events per year, a first amount payable of R 500.00 per event.

Lightning Strike / Electrical Irregularity Warranty

The Company / Insurer(s) shall not be liable for, and shall not indemnify the Insured should the property insured not be appropriately and adequately protected by suitable SABS - Approved Lightning/Power Surge Arrestors and protection against all electrical supply problems which shall include a suitable low impedance earth connection, safeguarding the insured property against electrical supply fluctuations, power surges and lightning strikes; all damages resulting from lightning, power surge and electrical power fluctuations shall therefore be excluded unless the above preventive measures were implemented before the incident giving rise to a claim and the functionality of such devices are checked on a regular basis and checked, serviced and maintained at least once per quarter in order to ensure its effectiveness.

As stated above, SABS – Approved lightning/Power Surge Arrestors must be installed in and connected to the Main Electrical Distribution Board of all insured and or occupied buildings belonging to the insured or for which they are responsible and must at all times be operative, serviced and maintained

Cover for Loss of or Damage to electronic and electrical equipment as a result of power surges is included in the cover afforded under this policy up to a limit as stated in the schedule. However, it is further noted that all losses or damages as a result of ripple relay switching, load shedding and/or any maintenance resulting in power surge damage or losses, is excluded.

Fire Fighting Equipment Service Warranty:

It is hereby warranted that in order for the premises to be fully protected against fire and fire related losses, and in accordance with the Fire Protection Association of South Africa's Rules (FPA), that there are adequate Hose reels (FPA Rule TT34), Hydrants (FPA Rule TT35) and Portable Fire Extinguishing Appliances (FPA Rule TT37) where appropriate, which are strategically located within the insured premises. Failure to comply with these conditions will result in there being no cover all fire and allied perils related losses.

All Fire Fighting Equipment must be kept in order and serviced annually by a qualified SAQCC - Certified Fire Technician. All the Fire Fighting equipment, fire escapes and the like, must comply with the local municipal by laws. All Fire Fighting equipment, fire hydrants, portable fire extinguishers and fire hose reels must be operated by adequately trained staff. The Firefighting equipment must be easily accessible to the trained staff and not be blocked with stock, rubble, equipment and a minimum of a 1-meter wide walkways must be maintained around all firefighting equipment.

(FPA Rules TT34, TT35, TT37 Details of these rules provided on request.)

Emergency Residential Accommodation

In the event of loss of or damage to the insured building as a result of an insured peril, the company will pay the reasonable cost of Emergency residential accommodation subject to the following conditions:

1. Cover is for residential accommodation only
2. Cover is limited to one family of 5 members of a single household.
3. Cover shall be limited to the maximum amount R 1 000.00 per day or R 10 000.00 per event and a maximum of 1 event per annum, or the maximum number of events as stated in the schedule.
4. Emergency accommodation shall not be situated more than 20kms away from the insured building

Geysers, Solar Water Heaters/

Water Collectors and Heat Pumps

Defined Events

Loss of or damage to any Geysers, Solar water heaters/water collectors and heat pumps as a result bursting and or overflowing of the geysers and or Solar powered unit described in the schedule.

Specific exceptions and Conditions

Any geysers whether electrically heated or powered via solar energy, including solar collector panels, solar tubes and heat pumps as stated in the Schedule; are subject to the following conditions:

- a) All Geysers, Electrical or Solar including Solar collector panels or tubes and Heat Pumps, Hot water Collectors installed at the insured premises / buildings must be SABS approved, shall be fitted with a SABS approved Drip tray and must be earthed for protection against lightning damage and power Surge;
- b) Internally and externally installed Geysers and Heat Pumps, Hot water collectors; shall be installed by a registered plumbing service and be subject to the national regulated safety ratings as per the local municipal authority and also be compliant to a IPX1 safety rating for internal installed units and a IPX 4 safety rating in the event of externally installed units.
- c) Solar Geysers / Solar Collectors – units including Panels and tubes):
 - a. Damaged as a result of Slime and Lime Scale build up is excluded
 - b. Damage caused as a result of Freezing is excluded unless the respective System has been filled or contains an approved Anti-Free Substance or liquid i.e. Propylene diluted as per registered instructions
- d) Above-Roof, In-Roof and above ceiling geysers, when fitted by a registered plumber, must compliment the roof structure and should not place any additional or excess weight on the Roof Structure, roof trusses of the insured building/s. the current existing roof structure must be capable of bearing additional weight as a result of the installation of any geysers type.
- e) Converted Geysers: Electrical geysers converted to a Solar Powered geysers must comply with the above noted safety ratings (IPX1 & IPX4) and must be fitted /converted by a registered plumbing services.

Extensions

Geysers Repair and Maintenance Cover

The Company agrees to extend cover for geysers to include repairs to the following standard fitted parts by a registered plumbing service provider.

Cover: Included at R1, 000.00 for Electrical Geysers and R 5 000.00 for Solar Geysers, (Inclusive of VAT, Labour and call-out fee) for any period of 12 consecutive months of insurance. (*In the Annual Aggregate*) per Building or Unit insured limited to the following items being repaired or replaced:

- a) Thermostats;
- b) Elements;
- b) Anodes and Valves
- c) Volume and Vacuum Breakers;

Please note:

Pre-Existing Faults and conditions of ill maintenance and wear and tear will be excluded

Lightning Strike / Electrical Irregularity Warranty

The Company / Insurer(s) shall not be liable for, and shall not indemnify the Insured should the property insured not be appropriately and adequately protected by suitable SABS - Approved Lightning/Power Surge Arrestors and protection against all electrical supply problems which shall include a suitable low impedance earth connection, safeguarding the insured property against electrical supply fluctuations, power surges and lightning strikes; all damages resulting from lightning, power surge and electrical power fluctuations shall therefore be excluded unless the above preventive measures were implemented before the incident giving rise to a claim and the functionality of such devices are checked on a regular basis and checked, serviced and maintained at least once per quarter in order to ensure its effectiveness.

As stated above, SABS – Approved lightning/Power Surge Arrestors must be installed in and connected to the Main Electrical Distribution Board of all insured and or occupied buildings belonging to the insured or for which they are responsible and must at all times be operative, serviced and maintained

Cover for Loss of or Damage to electronic and electrical equipment as a result of power surges is included in the cover afforded under this policy up to a limit as stated in the schedule. However, it is further noted that all losses or damages as a result of ripple relay switching, load shedding and/or any maintenance resulting in power surge damage or losses, is excluded.

Fire Fighting Equipment Service Warranty:

It is hereby warranted that in order for the premises to be fully protected against fire and fire related losses, and in accordance with the Fire Protection Association of South Africa's Rules (FPA), that there are adequate Hose reels (FPA Rule TT34), Hydrants (FPA Rule TT35) and Portable Fire Extinguishing Appliances (FPA Rule TT37) where appropriate, which are strategically located within the insured premises. Failure to comply with these conditions will result in there being no cover all fire and allied perils related losses.

All Fire Fighting Equipment must be kept in order and serviced annually by a qualified SAQCC - Certified Fire Technician. All the Fire Fighting equipment, fire escapes and the like, must comply with the local municipal by laws. All Fire Fighting equipment, fire hydrants, portable fire extinguishers and fire hose reels must be operated by adequately trained staff. The Firefighting equipment must be easily accessible to the trained staff and not be blocked with stock, rubble, equipment and a minimum of a 1-meter wide walkways must be maintained around all firefighting equipment.

(FPA Rules TT34, TT35, TT37 Details of these rules provided on request.)

Office Contents Section

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 situate as stated in the schedule (thereinafter called the office premises) by any of the perils specified in sub-section A
2. Loss of or damage to the whole or part of the property insured under item C and defined in sub-section C and the consequences thereof insured under item D and as described in sub-section D
3. Loss and/ or expenditure described in sub-sections B and E

Sub section A Contents

1. Fire, lightning, thunderbolt, subterranean fire, explosion
2. Storm, wind, water, hail or snow excluding loss of or damage to property arising from its undergoing any process necessarily involved in 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, aerals, satellite dishes or vehicles excluding damage to such animals trees, aerals, 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 Limitation clause

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

Specific condition

Average (not applicable to peril 6 above)

If the property insured is, at the commencement of any loss or damage to such property by any 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 ratable share of the loss or damage accordingly. Each item of the schedule covering such property shall be separately subject to this condition

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 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 un-cancelled 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 exception (application 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 and molds (except to the extent that the said articles are insured in terms of sub-section A), stock in trade, samples, motor vehicles and accessories thereof, money, securities, stamps, jewelry or precious stones
- c) the first 10% of the indemnifiable amount or R1 000 whichever is the greater if the loss or damage is due to power surges or lightning strikes.

Specific exception (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 of R1 000
- (ii) vermin or inherent defect or by processing, copying or other work upon the documents
- (iii) the dishonesty of any principal, partner or director of the insured whether acting alone or in collusion with the others. This exception shall not apply to any director who is also an employee of the insured and whom the insured have the right at all times to govern, control and direct in the performance of his work in the service of the insured and in the course of the business.

(b) gradual deterioration or wear and tear

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

Sub-section D Legal Liability Documents

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

Specific exception (applicable to sub-section D)

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

Sub-section E Increase in cost of working

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

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

Clauses and extensions Alterations Miss description clauses

The insurance under this section shall not be prejudiced by any alteration or miss description 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 15 per cent of the sum insured thereon, it being understood that the insured undertake to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

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 unauthorized person may be in possession of a duplicate of such key

Provided that

- (i) the company's liability shall not exceed R 3 000 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 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 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 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 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

Tenant's 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 ratable proportion of the loss accordingly

Malicious damage extension

Subject otherwise to the terms, conditions, exceptions and warranties contained therein, sub-sections A, B and Care extended to cover 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 damage, other than damage to

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

Provided that this extension does not cover damage related to or caused by fire or explosion

- (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 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 recovered by this section, the burden of proving the contrary shall rest on the insured.

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

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

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

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

- (i) civil commotion, labor disturbances, riot, strikes 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 providing 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:

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

Provided that

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

Theft Non-Forcible extension (if stated in the schedule to be included)

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

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

Provided that

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

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.

Lightning Strike / Electrical Irregularity Warranty

The Company / Insurer(s) shall not be liable for, and shall not indemnify the Insured should the property insured not be appropriately and adequately protected by suitable SABS - Approved Lightning/Power Surge Arrestors and protection against all electrical supply problems which shall include a suitable low impedance earth connection, safeguarding the insured property against electrical supply fluctuations, power surges and lightning strikes; all damages resulting from lightning, power surge and electrical power fluctuations shall therefore be excluded unless the above preventive measures were implemented before the incident giving rise to a claim and the functionality of such devices are checked on a regular basis and checked, serviced and maintained at least once per quarter in order to ensure its effectiveness.

As stated above, SABS – Approved lightning/Power Surge Arrestors must be installed in and connected to the Main Electrical Distribution Board of all insured and or occupied buildings belonging to the insured or for which they are responsible and must at all times be operative, serviced and maintained

Cover for Loss of or Damage to electronic and electrical equipment as a result of power surges is included in the cover afforded under this policy up to a limit as stated in the schedule. However, it is further noted that all losses or damages as a result of ripple relay switching, load shedding and/or any maintenance resulting in power surge damage or losses, is excluded.

Fire Fighting Equipment Service Warranty:

It is hereby warranted that in order for the premises to be fully protected against fire and fire related losses, and in accordance with the Fire Protection Association of South Africa's Rules (FPA), that there are adequate Hose reels (FPA Rule TT34), Hydrants (FPA Rule TT35) and Portable Fire Extinguishing Appliances (FPA Rule TT37) where appropriate, which are strategically located within the insured premises. Failure to comply with these conditions will result in there being no cover all fire and allied perils related losses.

All Fire Fighting Equipment must be kept in order and serviced annually by a qualified SAQCC - Certified Fire Technician. All the Fire Fighting equipment, fire escapes and the like, must comply with the local municipal by laws. All Fire Fighting equipment, fire hydrants, portable fire extinguishers and fire hose reels must be operated by adequately trained staff. The Firefighting equipment must be easily accessible to the trained staff and not be blocked with stock, rubble, equipment and a minimum of a 1-meter wide walkways must be maintained around all firefighting equipment.

(FPA Rules TT34, TT35, TT37 Details of these rules provided on request.)

Accidental Damage Section

Defined events (I)

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

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

And

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

Specific Exceptions

The company shall not be liable for

- (a) any peril excluded or circumstances 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 following 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 pretense practiced on the insured (or any person having custody of the insured property) or fraud or the dishonesty of any principal or agent of the insured
 - (ii) overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus
 - (iii) breakdown, electrical, electronic and / or mechanical derangement
 - (iv) altering, bleaching, cleaning dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon
 - (v) fault or defect in its design, formula, specification, drawing, plan, materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, contamination, pollution, change in color, flavor, texture or finish or its own wear and tear
 - (vi) denting, chipping, scratching or cracking not affecting the operation of the item
 - (vii) termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions, the action of light
- (f) settlement or bedding down, ground heave 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 refinement
- (i) collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).

Definitions

Insured property

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

- (a) current coin (including Kruger Rands and similar coins), bank and currency notes, travelers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, unused MVA tokens, and other certificates, documents or instruments of a negotiable nature
- (b) furs, jewelry, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art
- (c) property in transit by air, inland waterway or sea
- (d) railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers
- (e) standing or felled trees, crops, animals, land (including topsoil, backfill drainage and culverts), driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines (external to the premises), tunnels, cables (external to the premises), cableways, bridges, docks, jetties, wharves, piers, excavations, property below the ground or explosives

- (f) electronic data processing equipment and external data media (punch cards, tape discs and the like) and the information they contain
- (g) property in the course of construction, erection or dismantling including materials or supplies related thereto
- (h) property in the possession of customers under lease, rental, credit or suspensive sale agreements
- (i) glass, china, earthenware, marble and other fragile or brittle objects unless stated in the schedule to be insured.

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

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

Clauses and extensions Restricted cover clause

The insurance in respect of documents, manuscripts, business books, plans, designs, patterns, models, molds and computer system records is limited to the value of the materials and the cost of labor 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, plants and machinery insured, the sum insured include

- (a) any costs incurred, due to the necessity to comply with building or other regulations of any public authority, in repair or reinstatement following an insured event provided that such costs 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,developmentandotherchargespayableunderthesaidregulations 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 un damaged contents) and the erection and maintenance of hoardings during demolition and rebuilding
- (d) the professional fees of architects, quantity surveyors and other consultants and the sum insured on all insured property includes
- (e) charges levied by any authorized 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.

Tenant's 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 ratable 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 dispatch 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 loss or damaged insured property
- (c) If, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon on the occurrence of an insured event, the insured shall be considered his own insurer for the difference and shall bear a ratable 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.

Lightning Strike / Electrical Irregularity Warranty

The Company / Insurer(s) shall not be liable for, and shall not indemnify the Insured should the property insured not be appropriately and adequately protected by suitable SABS - Approved Lightning/Power Surge Arrestors and protection against all electrical supply problems which shall include a suitable low impedance earth connection, safeguarding the insured property against electrical supply fluctuations, power surges and lightning strikes; all damages resulting from lightning, power surge and electrical power fluctuations shall therefore be excluded unless the above preventive measures were implemented before the incident giving rise to a claim and the functionality of such devices are checked on a regular basis and checked, serviced and maintained at least once per quarter in order to ensure its effectiveness.

As stated above, SABS – Approved lightning/Power Surge Arrestors must be installed in and connected to the Main Electrical Distribution Board of all insured and or occupied buildings belonging to the insured or for which they are responsible and must at all times be operative, serviced and maintained

Cover for Loss of or Damage to electronic and electrical equipment as a result of power surges is included in the cover afforded under this policy up to a limit as stated in the schedule. However, it is further noted that all losses or damages as a result of ripple relay switching, load shedding and/or any maintenance resulting in power surge damage or losses, is excluded.

Fire Fighting Equipment Service Warranty:

It is hereby warranted that in order for the premises to be fully protected against fire and fire related losses, and in accordance with the Fire Protection Association of South Africa's Rules (FPA), that there are adequate Hose reels (FPA Rule TT34), Hydrants (FPA Rule TT35) and Portable Fire Extinguishing Appliances (FPA Rule TT37) where appropriate, which are strategically located within the insured premises. Failure to comply with these conditions will result in there being no cover all fire and allied perils related losses.

All Fire Fighting Equipment must be kept in order and serviced annually by a qualified SAQCC - Certified Fire Technician. All the Fire Fighting equipment, fire escapes and the like, must comply with the local municipal by laws. All Fire Fighting equipment, fire hydrants, portable fire extinguishers and fire hose reels must be operated by adequately trained staff. The Firefighting equipment must be easily accessible to the trained staff and not be blocked with stock, rubble, equipment and a minimum of a 1-meter wide walkways must be maintained around all firefighting equipment.

(FPA Rules TT34, TT35, TT37 Details of these rules provided on request.)

Theft Section

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 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 upon the insured premises before close of business
 - (ii) entry to and /or exit from the premises being effected by use of a skeleton key or other similar device (excluding a duplicate key) provided that the insured shall established 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 said
 - (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 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 affecting 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 R5 000 or 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 authorized 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 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 to an amount of R2 500 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 molds is restricted to the value of materials and sums expended in labor

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 at which a burglar alarm is installed 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) loss or damage to the property following the use of keys, the keypad control or remote control of the burglar alarm or any duplicate thereof belonging to the insured unless such keys, keypad code or remote control have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft.
 - (c) Unless specified stated to the contrary, all buildings on the premises are protected by the alarm and it is further warranted that:
 1. Where the alarm is an approved certified burglar alarm
The company shall be entitled to request full information of the relevant arming and disarming log after the occurrence of a loss.

Or
 2. Where the installed alarm is not an approved certified burglar alarm
 - 2.1 The said alarm is to be a dual monitoring where available (for the purpose of this requirement dual monitoring shall mean that after the alarm is triggered a signal will be transmitted by two different methods to the control room of the company monitoring the alarm)
 - 2.2 If the company which installed the said alarm system operates an armed reaction unit, the contract for the said alarm shall include the armed reaction unit's services, where available
 - 2.3 The control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a loss, the company will be entitled to request full information of the relevant log
 - 2.4 Such alarm will be maintained in proper working order but the insured shall be deemed to have discharged their liability in this regard if they have maintained their obligations under the contract with the suppliers or service engineers of the alarm system

Theft Non-Forcible extension (if stated in the schedule to be included)

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

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

Provided that

- (i) the amount payable will be reduced by the first amount payable shown in the schedule for this extension
- (ii) the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.
- (iii) Maximum Limit of Indemnity of R 15 000.00

Money Section

Defined Events

Loss of or damage to money (as defined) occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe and Malawi except 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, strong room, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

Clothing shall mean clothing and personal effects not otherwise insured belonging to the insured or to any 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 R2 000, and in respect of receptacles, the amount stated in the schedule or R 2000 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 unauthorized person may be in possession of a duplicate of such key.

Provided that

- (i) the company's liability shall not exceed R2000 in respect of any one event
- (ii) the company shall not be liable for the first R200 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 in consequence of

- (i) civil commotion, labor 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.

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

The company will pay to the insured, on behalf of such person or his estate, the sum or sums stated in the schedule in the event of bodily injury to such person resulting within 24 calendar months in

1. Death

the capital sum

2. Permanent disability as follows

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	
both phalanges	25
one phalanx	10
(h) loss of index finger	
three phalanges	10
two phalanges	8
one phalanx	4
(i) loss of middle finger	
three phalanges	6
two phalanges	4
one phalanx	2
(j) loss of ring finger	
three phalanges	5
two phalanges	4
one phalanx	2
(k) loss of little finger	
three phalanges	4
two phalanges	3
one phalanx	2
(l) loss of metacarpals	
first or second (additional)	3
third, fourth or fifth (additional)	2
(m) loss of toes	
all on one foot	30
great, both phalanges	5
great, one phalanx	2
other than great, if more than one toe lost, each	2

3. In the case of **total and absolute incapacity** from following usual business or occupation the weekly sum specified in the schedule shall be payable
4. The reasonable expenses incurred, up to the sum specified in the schedule, shall be payable in respect of medical, surgical, dental nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation of freeing such person if trapped or bring 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 above provisions.
- b. Permanent total loss of use of part of 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 sum specified under items 3 and 4;
- (ii) the sum specified under item 3 shall be payable only for the duration of the incapacity of such person and shall not be payable for more than 104 weeks and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible notwithstanding that permanent disability may remain;
- (iii) compensation payable under item 4 shall be reduced by an amount equal to the compensation received or receivable under any workmen's compensation enactment in respect of any treatment for which compensation is payable under item 4;
- (iv) this extension shall not apply to any such person under 15 or over 70 years of age;
- (v) after suffering bodily injury for which benefit may be payable under this extension, such person shall submit to medical examination and undergo any treatment specified. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
- (vi) general exception 2 and general conditions 2 and 9 do not apply to this extension;
- (vii) in respect of this extension only general exception 1 is deleted and replaced by the following:
This extension does not cover death or bodily injury directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution or military or usurped power.

Extensions to the personal accident (assault) extension

1. Bodily injury shall be deemed to include injury caused by starvation, thirst and / or exposure to the elements directly or indirectly resulting from such person being the victim of theft or any attempt thereat.
2. In the event of disappearance of any such person in circumstances which satisfy the company that he has sustained injury to which this personal accident (assault) extension applies and that such injury has resulted in the death of such person, the company will, for the purpose of the insurance afforded by this extension, presume his death provided that if after the company shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the insured to the company.

Specific Extensions

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

- (1) arising from dishonesty of any principal, partner, director 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 strong room unless the keys,
 - (a) are obtained by violence or threats of violence to any person
 - (b) are used but the key holder or some other person with the collusion of the key holder and the insured can prove to the satisfaction of the company that the key holder or such other person had used the keys to open the safe or strong room;
- (4) in an unlocked safe or strong room whilst the portion of the premises containing such safe or strong room is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the key holder to the safe strong room deliberately left it unlocked with the intention of allowing the money to be stolen;
- (5) not contained in a locked safe or strong room 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 person(s) responsible for the money deliberately left it outside the safe or strong room 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 meters 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 R1 500 and such losses shall not be reduced by any first amount payable.

Memoranda

1. Loss 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,

- a) 2% of the applicable limit under defined events plus
 - b) a further amount of 10% of the net amount payable after deduction of the 2% specified in (a) above.
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 25% of the loss indemnified by this section unless:

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

Recommended SAIA procedure for drawing and crossing of cheques and printing of blank cheques

A. Drawing and crossing of cheques

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

1. Delete the pre-printed words "or bearer". This limits the possibility of the drawer bank paying out to a bearer who might not be entitled to payment
2. If instead of "or bearer" your cheque has pre-printed on it "or order" these words must also be deleted write on the face of the cheque the words "not transferable"

New National Assurance Company Limited

ANNEXURE A - SAIA RECOMMENDED CHEQUE

ANNEXURE B - SAIA RECOMMENDED CHEQUE

Warning to be printed on rear of cheque - leave enough space for bank stamps etc.

To person encashing this cheque or receiving it in exchange for any consideration.
Where a cheque has been stolen from or lost by the true owner, you may be liable to reimburse him for his loss if you encash such cheque or receive it in exchange for any consideration. (Section 81 of the Bills of Exchange Act, 1964)

NB: This cheque is crossed and marked "not negotiable" and "not transferable"

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 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 are or have been working if such damage results directly from such work
3. Liability consequent upon injury or damage
 - (a) caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the insured
 - (b) caused by or through or in connection with the ownership, possession or use by or on behalf of the insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft, 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 refueling 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
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 anyone 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 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 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 organization, 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 organization 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 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.

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 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, clearing or provision of operating instructions prior to safe 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 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 defense 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 expense not exceeding the amount stated in the schedule incurred by or on behalf of such person with the consent of the company in the defense 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

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. 40 of 1958 (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 R50 000 under each of (i) and (ii) and R100 000 in anyone (annual) period of insurance.

E.C. 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 extensions) which results from goods or products exported to any European Community (E.C.) country or any European Free Trade Associations (E.F.T.A.) 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 E.C. or E.F.T.A.
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.

Employers Liability Section

Defined events

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

The limit of indemnity

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

Territorial limits

Anywhere in the world but not in connection with

- i. any business carried on by the insured at or from premises outside or
- ii. any contact 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 indemnifiable 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
- (a) 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
- (a) 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
 - (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 not in no circumstances exceeding 36 months (herein under referred to as extended reporting period)

Provided that

- (i) this option may only be exercised in the event of the company cancelling or refusing to renew this section
- (ii) this option must be exercised by the insured in writing within 30 days of cancellation or non-renewal
- (iii) once exercised, the option cannot be cancelled by either the insured or the company
- (iv) the insured has not obtained insurance equal in scope and cover to this section as expiring
- (v) 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
- (vi) 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
- (vii) 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
- (viii) 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 endeavor to arrange with the principal for the conduct and control of all claims to be vested in the company
- (b) the principal shall, as though he were the insured fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this policy in so far as they can apply
- (c) the liability of the company is not hereby increased.

Memorandum

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

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

Trustees Liability (Indemnity)

Defined Events

Defined events under Public Liability insurance is extended to include damages which the insured, or a representatives of the insured, shall become legally liable to pay in the course of their duties on behalf of the insured, due to any wrongful act of the insured's trustees provided that the limit of indemnity, including all costs and expenses, shall not exceed the amount stated in the section of the policy detailing the Sum insured in respect of any single event, in any single (annual) period of insurance. Excluding all losses incurred and not discovered or presented or claimed for, prior to the inception of this policy extension or after the cancellation of any one period of insurance where Trustees Indemnity cover has been effected.

Definition

Wrongful Act: - "Any act, whether actual or alleged, which constitutes a breach of trust, duty, or neglect, or any error or misstatement or misleading statement or omission or any other act wrongfully committed and/or attempted by a trustee which arises by the sole reason of his or her acting in his or her capacity as an appointed trustee of the body corporate."

Specific Exceptions

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

- a) The first amount payable as stated in the schedule;
- b) Any indemnity claimable or claimed for under any other insurance policy
- c) 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;
- d) Litigation costs and expenses recovered by any claimant (s) from the insured which were assumed by any agreement, unless liability would have attached in the absence of such an agreement.
- e) Any wrongful act by any trustee(s) where such acts are deemed to be illegal or fraudulent, provided that this exception shall not apply in so far as such act(s) has affected any innocent party.
- f) Remuneration, payment or funds for which the body corporate is legally liable;
- g) Death, disease and/or illness of or bodily injury to any employee of the body corporate arising out of, or in the course of their or such employment;
- h) Death, disease and/or illness of or bodily injury to any person not an employee of the body corporate or loss of or damage to property, unless arising out of advice or omission to perform a professional duty;
- i) Fines, penalties, punitive damages, exemplary or vindictive damages;
- j) Any claim arising from an event known to the insured:
 - a. Prior to inception of this section;
 - b. Which is not reported to the company in terms of General Condition 6 , pertaining to previous loss history or claims
 - c. The consequences of any circumstance which may give rise to a claim , known to the insured at inception of this section and which is reasonably expected to produce a claim, unless declared in advance by the insured and accepted by the company in writing;
- k) Any claim not first made in writing against the insured
 - a. Including claims made in the event of cancellation of this policy extension or;
 - b. non-renewal of this policy extension
- l) Any claim in any period or extended period in respect of minors.

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 as the insured reported the event to the company.
2. In the event of cancellation or non-renewal of the extension:
 - a. Any claim resulting from a reported event, first made in writing against the insured during the extended reporting period(s) 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 to the insurer.
 - b. The insured may report an event in terms of General Condition 6 to the company for up to 30 (thirty) 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 treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to any extended period if specified to be included in the policy schedule, subject to the limit of the period extended to in the policy schedule, but in no circumstances exceeding a period of 36months.
3. Any series of claims made against the insured by one or more than one claimant during the period of insurance consequent upon one event or series of events with one original cause or source giving rise to loss or damage, shall be treated as if they all had 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 any claim, on the date that the first claim or series of claims was first made against the insured.

Glass Section

Defined events

Loss of or damage to internal and external glass (including mirrors), sign writing and treatment there on at the insured premises as stated in the schedule, the property of the insured or for which they are responsible.
Following loss of or damage to glass the company will also indemnify the insured for

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

Provided that the liability of the company shall not exceed

- (i) for the replacement of glass, sign writing and treatment the sum insured as stated in the schedule applicable to the premises at which loss or damage occurs,
- (ii) for all other costs and expenses provided for by this section and resulting from one occurrence or series of occurrences attributable to one source or original cause in the aggregate the sum of R3 000.

Specific condition

Average

If the property insured is, at the commencement of any damage 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 ratable 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 6mm in thickness, whether coated with a film or not, or 6.5 mm laminated safety glass.

Specific exceptions

The company shall not be liable for

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

Extensions

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

If, following loss or damage insured hereunder, the insure 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 thereof, 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 ratable proportion of the loss or damage accordingly.

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, labor 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), and (vi) 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), (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.

Business All Risk Section

Defined events

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

Provided that the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every event 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 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;
 - (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 ratable 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 conditions (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 ratable proportion of the loss accordingly.

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 thereof is admitted under this section, for the purpose of maintaining the normal operation of the business.

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, labor 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; 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) (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.

Electronic Equipment Section

Sub section A: Material damage

Defined events

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

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

Exceptions to sub section A

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

1. The first amount payable as stated in the schedule in respect of sub-section A, of each and every occurrence giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one occurrence, the first amount payable shall be the highest single amount applicable to such property insured
2. derangement unless accompanied by physical damage otherwise covered by this section
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on behalf of the insured covering the insured equipment
4. faults or defects known to the insured (or their responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to the company or any consequence 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-rat tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for by this sub-section to other parts of the property insured, the company shall indemnify the insured for the residual value prior to the loss of such exchangeable parts
7. the cost of reproducing data and / or programs whether recorded on cards, tapes discs or otherwise unless specifically provided for in sub-section B hereof
8. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than loss specifically provided for herein
9. (a) loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry to or exit from the insured premises / situation
(b) loss of the property insured by theft during transit or whilst temporarily removed from the insured premises unless identifiable by the insured with a specific incident which has been immediately reported to the police and the company

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

- (a) left in the motor vehicle overnight unless the vehicle is housed in a securely locked building and entry to such vehicle or building is accompanied by forcible and violent entry or exit
- (b) contained in a compartment of the motor vehicle and is visible to passers-by provided that
(a) and (b) above shall not apply to theft of the property insured where the transport vehicle
 - (i) has been hijacked or
 - (ii) has been involved in a road accident or sustains a breakdown and, due to circumstances beyond the control of the vehicle crew / driver, the property insured is of necessity left unprotected.

Basis of indemnification

The indemnity of 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, import 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.
- (d) 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 consequences arising therefrom will be for the account of the insured.
- (e) 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) their intention to replace or reinstate the property insured
 - (b) the insured are unable or unwilling to replace or reinstate the property insured on the same or another site
- (iv) at the sole option of the company, following commercial and technical appraisal by a representative of the company, the period referred to in the definition of new property may be extended (on an annual basis from renewal date) subject always to such extension of period being admitted by memorandum to this policy.

Definition of new property insured

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

- (B) In respect of property insured not provided for in (A) above, the basis 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 and / 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 %) for the first year after the date of purchase

and
- (ii) 10% (ten %) per year for each succeeding year

subject always to a minimum indemnity of 40% (forty %) 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 property insured had been lost or damaged exceed 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 ratable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.

Limit of liability

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

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.

Definitions

Indemnity period

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

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

Accident

1. (Applicable to increased cost of working only) physical loss of or damage to the property insured described in the schedule of property insured from any cause as provided for under sub-section A of this policy, liability under which sub-section shall, except for the provisions relating to the first amount payable or the maintenance / lease agreements, be a condition precedent to liability hereunder.
2. Failure to 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 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 policy, the sum(s) insured shall automatically be reinstated for the remainder of the current period of insurance.

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

Specific exceptions to sub-section B

Unless specifically provided for

1. Fines and damages

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

2. Loss of profit

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

Clauses, Extensions and Warranties

Reinstatement

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

- (a) the insured being unable or unwilling to replace or reinstate property destroyed or damaged, or failing to carry out such replacement or reinstatement within a reasonable time, or
- (b) addition, alteration or improvements being 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, a 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.

Clearance costs

Costs necessarily and reasonably incurred by the insured in respect of demolition dismantling of property and of 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.

Express delivery and overtime

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

Lightning Strike / Electrical Irregularity Warranty

The Company / Insurer(s) shall not be liable for, and shall not indemnify the Insured should the property insured not be appropriately and adequately protected by suitable SABS - Approved Lightning/Power Surge Arrestors and protection against all electrical supply problems which shall include a suitable low impedance earth connection, safeguarding the insured property against electrical supply fluctuations, power surges and lightning strikes; all damages resulting from lightning, power surge and electrical power fluctuations shall therefore be excluded unless the above preventive measures were implemented before the incident giving rise to a claim and the functionality of such devices are checked on a regular basis and checked, serviced and maintained at least once per quarter in order to ensure its effectiveness.

As stated above, SABS – Approved lightning/Power Surge Arrestors must be installed in and connected to the Main Electrical Distribution Board of all insured and or occupied buildings belonging to the insured or for which they are responsible and must at all times be operative, serviced and maintained

Cover for Loss of or Damage to electronic and electrical equipment as a result of power surges is included in the cover afforded under this policy up to a limit as stated in the schedule. However, it is further noted that all losses or damages as a result of ripple relay switching, load shedding and/or any maintenance resulting in power surge damage or losses, is excluded.

Fire Fighting Equipment Service Warranty:

It is hereby warranted that in order for the premises to be fully protected against fire and fire related losses, and in accordance with the Fire Protection Association of South Africa's Rules (FPA), that there are adequate Hose reels (FPA Rule TT34), Hydrants (FPA Rule TT35) and Portable Fire Extinguishing Appliances (FPA Rule TT37) where appropriate, which are strategically located within the insured premises. Failure to comply with these conditions will result in there being no cover all fire and allied perils related losses.

All Fire Fighting Equipment must be kept in order and serviced annually by a qualified SAQCC - Certified Fire Technician. All the Fire Fighting equipment, fire escapes and the like, must comply with the local municipal by laws. All Fire Fighting equipment, fire hydrants, portable fire extinguishers and fire hose reels must be operated by adequately trained staff. The Firefighting equipment must be easily accessible to the trained staff and not be blocked with stock, rubble, equipment and a minimum of a 1-meter wide walkways must be maintained around all firefighting equipment.

(FPA Rules TT34, TT35, TT37 Details of these rules provided on request.)

Fire brigade charges

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

Tenants

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

Hire purchase / finance agreements

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

Sub-section B: Consequential loss

Defined events

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

(i) Increased cost of working

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

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

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

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

(ii) Reinstatement of data / programs

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

Provided always that

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

General Memoranda

Memo 1 - Capital additions and currency fluctuations

The indemnity by this section shall include

- (a) additional equipment or programs purchased by the insured of a similar nature to that specified in the schedule, provided that, in respect of loss or damage due to electrical or mechanical breakdown or explosion, the insurance shall only commence after satisfactory completion or 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 at the expiry of the 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 be interrupted or interfered with in consequence of the insured being prevented from having access to the property insured situated at the premises caused by damage to property within a 10 km radius of the insured premises described in the schedule by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or impact by vehicles, the company shall indemnify the insured for loss resulting from such interruption or interference in accordance with the provisions contained herein

Provided that

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

Special exception (sub-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 extension

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

Notwithstanding anything contained to the contrary in the policy, the indemnity by sub-sections A 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 cost 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-section A or B (item ii) of this section of the policy
3. The cover afforded hereunder shall be restricted to
 - a. parts or components of the electronic system which are not indemnifiable under sub-section A hereof
 - b. 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 percent (20%) of the applicable total sum insured under sub-section A the limit of indemnity and sub-section B item (ii) hereof or R25 000, whichever is the lesser

Fidelity Guarantee Section

Defined Events

1. Loss of money and / or other property belonging to the insured or for which they are responsible stolen by an insured employee during the currency of this section.
2. Direct financial loss sustained by the insured as a result of 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 twelve 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 employees 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 twelve-month period of insurance calculated from inception or renewal;
- iv) the term " dishonest personal financial gain' shall not include gain by any 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
 - (b) any consequential losses of any kind following losses referred to under defined events.
 - (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;
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
 - (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 method of conducting his business as has been represented to the company but the insured may:
 - (a) change the remuneration and conditions of service of any employee;
 - (b) in respect of any employee who is described in the schedule by name, change his duties and position;
 - (c) in respect of any employee who is described in the schedule only by the position held by him, remove such employee and place in his position any other person who falls within the definition of employee;
 - (d) make such other changes as are approved beforehand in writing by the insured's auditors.
2. If the insured shall sustain any loss to which this section applies which exceeds the amount payable hereunder in respect of such loss, the insured shall be entitled to all recoveries (except from surety ship, insurance, reinsurance, security or indemnity taken or effected by the company or for the amount of any first amount payable) by whomsoever made on account of such loss until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the company and the insured to the extent of his coinsurance in terms of item (b) the compulsory first amount payable clause.

Clauses, Extensions and Warranties

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 sooner of 12-months of the termination of the employment of the employee concerned or within 12-months of the expiry of this section.

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

no other insurance is in force during the currency of this section to insure against the 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;

- (a) 2% of the aggregate of the sum insured under this section and the declared insurance or R60 000 whichever is the lesser

Plus

- (b) a further amount of 10% of the net amount payable after deduction of the amount specified in (a) above.

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

Computer Losses First Amount Payable

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

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

First amount payable Clause	First amount payable increased to percentage shown below	
Compulsory	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
	Paragraph (a)	From 2% to 4% From 2% to 5%
	Paragraph (b)	From 10% to 15% From 10% to 20%
	Computer losses	From 20% to 30% From 20% to 35%

Notwithstanding the above, the insured may not 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 reasonably withheld) for the recovery or attempted recovery from the employee in regard to whom the claim is made, of that part of the loss which exceeds the sum insured hereunder. All amounts recovered by the insured in excess of the said part of the loss shall be for the benefit of the company and the insured to the extent of his coinsurance in terms of item (b) the compulsory first amount payable clause.

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

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:

- 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
- If any defined event is discovered more than 12 months after it was committed, the percentage contained in the under noted first amount payable clauses are increased as follows:

First Amount Payable Clause	First Amount Payable increased to percentage shown below in losses discovered more than 12 months after being committed
Compulsory	
Paragraph (a)	From 2 % to 3%
Paragraph (b)	From 10% to 12.5%
Computer Losses	From 20% to 25%

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

- 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 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 instruction 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

Machinery Breakdown Section

Defined events

Any unforeseen and sudden physical loss of or damage to the insured property (or any part thereof) whilst on the premises by causes such as: defects in casting, defects in material, faulty design, faults at workshop or in erection, bad workmanship, lack of skill, carelessness, shortage of water in boilers, physical explosion, tearing apart on account of centrifugal force, short circuit, storm or from any other cause not specifically excluded in terms of any Exception which is applicable to this policy as a whole or to this Section in particular, That necessitates repair or replacement of the insured property.

Provided always that

- (a) the company will indemnify the Insured in respect of such loss or damage, as hereinafter provided by payment in cash, replacement or repair (at the option of the company) up to an amount not exceeding in any occurrence in respect of each of the items specified in the schedule of this Section, the sum insured set opposite thereto and not exceeding in all, the total sum insured expressed in the schedule of this Section;
- (b) no sum insured under this Section shall be reduced by the amount of any claim paid or payable by the company, subject to the Insured loss or damage for the remaining portion of the (annual) period of insurance;
- (c) this insurance shall apply to the insured property after successful completion of their performance acceptance tests whether they are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the premises, or during subsequent re-erection.

Basis of Indemnity

- (a) In case where damage to the insured property can be repaired - the company will pay the expenses necessarily incurred to restore the damaged insured property to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the insured, the company shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account. If the cost of repairs as detailed above, equals or exceeds the actual value of the insured property immediately before the occurrence of the damage, the property shall be regarded as destroyed and settlement shall be made on the basis provided for in (b) below.

- (b) In case where the insured property is destroyed - the company will pay the actual value of the insured property immediately before the occurrence of the loss, including charges for ordinary freight, cost of erection and customs duties, if any, provided such expenses have been included in the sum insured; such actual value to be calculated by deducting proper depreciation from the replacement value of the insured property. The company will also pay any normal charges for the dismantling of the insured property destroyed, but the value of any salvage shall be taken into account.

Provided always that

- (i) the cost of any alterations, additions, improvements or overhauls shall not be recoverable under this section;
- (ii) the cost of any provisional repairs shall be borne by the company if such repairs constitute part of the final repairs and do not increase the total cost of repairs;
- (iii) the company shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be.

Sum Insured and Average

It shall be a requirement of this Section that the sum insured is equal to the cost of replacement of the insured property by new property of the same kind and capacity, which means its cost of replacement including for example freight, dues and customs duties, if any, and cost of erection. If the sum insured is less than the amount required to be insured, the company shall pay only in such proportion as the sum insured bears to the amount required to be insured. Every item (if more than one) shall be separately subject to the a foregoing stipulations

Definitions

For the purpose of this Section the expression

"Insured property" used in this Section shall mean-the property described in the schedule of this Section under the heading "DESCRIPTION OF INSURED PROPERTY"

"Premises" used in this Section shall mean - the premises, the situation of which is stated in the schedule of this Section.

Clauses applicable to this section

(1) Overtime, night work, work on public holidays and express freight

The insurance under this Section is extended to cover extra charges for overtime, night work, and work on public holidays and express freight (excluding airfreight). Provided always that such extra charges are incurred in connection with any loss of or damage to the insured property, recoverable under this Section, provided further that the amount payable in respect of this Clause, shall not exceed the sum insured set opposite the applicable item and not exceeding in all, the total sum insured expressed in the schedule of this Section.

(2) Capital additions

The insurance under this section is extended to cover alterations, additions and improvements (but not appreciation in value in excess of the sum insured) to the insured property for an amount not exceeding 10% of the sum insured under the application item, it being understood that the Insured undertake to advise the company each quarter of such alterations, additions and improvements and pay or agree to pay the appropriate additional premium thereon.

Specific Exceptions applicable to this section

The company shall not be liable for:

1. the first amount payable, stated in the schedule of this Section, to be borne by the Insured in any one occurrence. If more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single first amount payable to such items;
2. loss of or damage to exchangeable tools (for example dies, molds, engraved cylinders), parts which by their use and/or nature suffer a high rate of wear or depreciation (for example refractory linings, crushing hammers), objects made of glass, belts, ropes, wires, rubber tyres, and operating media (for example lubricants, fuels, catalysts);
3. loss or damage due to fire, direct lightning, chemical explosion (except flue gas explosions in boilers), extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, theft, burglary or attempts thereat, collapse of buildings, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or similar natural catastrophes;
4. loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract;
5. loss or damage caused by any faults or defects existing at the time of commencement of this Section within the knowledge of the Insured or his representatives, whether such faults or defects were known to the company or not;
6. loss or damage as a direct consequence of the continual influence of operation (for example wear and tear, cavitation, erosion, corrosion, rust, boiler scale);
7. consequential loss or liability of any kind or description.

Specific Conditions Applicable to This Section

- (1) The due observance and fulfilment of the terms of this Section and of this policy in so far as they relate to anything to be done or complied with by the Insured, shall be a condition precedent to any liability of the company.
- (2) In the event of any material alteration in the risk undertaken by the company, the Insured shall as soon as possible give notice in writing to the company. The premium, terms and conditions shall thereupon be subject to adjustment accordingly. Any claim in respect of loss or damage that may arise before such notice is given, shall be handled in accordance with the company's normal conditions, exceptions and first amount payable for risks of a similar nature, subject to the insured agreeing to pay any increased premium that may be required in respect of the altered risk.
- (3) (a) On the happening of any loss or damage the insured shall, in addition to complying with General Condition 6 of this policy,
 - (i) take all reasonable steps to minimize the extent of such loss or damage;
 - (ii) preserve any damaged or defective parts for inspection by the company.
 - (b) Upon notification being given to the company in terms of General Condition 6 of this policy, the Insured may carry out the repairs or replacement of any minor damage, in all other cases a representative of the company shall have the opportunity of inspecting the loss or damage before any repairs or replacement or alterations are effected. If a representative of the company does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured is entitled to proceed with the repairs or replacement.
 - (c) The liability of the company under this Section in respect of the insured property is kept in operation after claim without being repaired to the satisfaction of the company, or if temporary repairs are carried out without the company's consent.

- (4) The Insured shall, in add it onto complying with General Condition 5 of this policy,
- (i) take all reasonable steps to maintain the insured property in efficient working order and to ensure that no part of the insured property is habitually or intentionally overloaded;

fully observe the manufacturer's / agent's instructions for the operation, inspection and maintenance of the insured property and fully observe government regulations, statutory regulations, municipal regulations and all other binding regulations in force concerning the operation and maintenance of the insured property.

Lightning Strike / Electrical Irregularity Warranty

The Company / Insurer(s) shall not be liable for, and shall not indemnify the Insured should the property insured not be appropriately and adequately protected by suitable SABS - Approved Lightning/Power Surge Arrestors and protection against all electrical supply problems which shall include a suitable low impedance earth connection, safeguarding the insured property against electrical supply fluctuations, power surges and lightning strikes; all damages resulting from lightning, power surge and electrical power fluctuations shall therefore be excluded unless the above preventive measures were implemented before the incident giving rise to a claim and the functionality of such devices are checked on a regular basis and checked, serviced and maintained at least once per quarter in order to ensure its effectiveness.

As stated above, SABS – Approved lightning/Power Surge Arrestors must be installed in and connected to the Main Electrical Distribution Board of all insured and or occupied buildings belonging to the insured or for which they are responsible and must at all times be operative, serviced and maintained

Cover for Loss of or Damage to electronic and electrical equipment as a result of power surges is included in the cover afforded under this policy up to a limit as stated in the schedule. However, it is further noted that all losses or damages as a result of ripple relay switching, load shedding and/or any maintenance resulting in power surge damage or losses, is excluded.

Fire Fighting Equipment Service Warranty:

It is hereby warranted that in order for the premises to be fully protected against fire and fire related losses, and in accordance with the Fire Protection Association of South Africa's Rules (FPA), that there are adequate Hose reels (FPA Rule TT34), Hydrants (FPA Rule TT35) and Portable Fire Extinguishing Appliances (FPA Rule TT37) where appropriate, which are strategically located within the insured premises. Failure to comply with these conditions will result in there being no cover all fire and allied perils related losses.

All Fire Fighting Equipment must be kept in order and serviced annually by a qualified SAQCC - Certified Fire Technician. All the Fire Fighting equipment, fire escapes and the like, must comply with the local municipal by laws. All Fire Fighting equipment, fire hydrants, portable fire extinguishers and fire hose reels must be operated by adequately trained staff. The Firefighting equipment must be easily accessible to the trained staff and not be blocked with stock, rubble, equipment and a minimum of a 1-meter wide walkways must be maintained around all firefighting equipment.

(FPA Rules TT34, TT35, TT37 Details of these rules provided on request.)