

MOTOR TRADERS INTERNAL RISKS

DEFINED EVENTS

ARTICLE I – DAMAGE TO THE INSURED VEHICLE

The company will indemnify the insured against damage to any insured vehicle the property of the Insured occurring in or on the premises.

Provided always that

- (a) the company may at its own option repair, reinstate or replace such insured vehicle or any part thereof or may pay in cash the amount of the damage;
- (b) the liability of the company under Article 1 of this Section is limited to the reasonable market value of such insured vehicle but not in any case exceeding the amount stated in respect of Article 1 under the heading "LIMITS OF LIABILITY" in the schedule, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence;
- (c) in the event of any part (which shall include any spare wheel, tool, accessory and spare part) needed to repair or replace damage (insured against under Article 1 of this Section) to such insured vehicle being unobtainable in the Republic of South Africa as a standard (ready manufactured) article the liability of the company shall be discharged by the payment of a sum equal to the value of such part (including the reasonable cost of freight other than by air) at the time of the accident but not in any case exceeding such part's price as stated in the manufacturer's last issued catalogue or price list.

Specific Exceptions applicable to Article I

The company shall not be liable under Article 1 of this Section to pay for

- (a) loss of use, depreciation, wear and tear, mechanical or electrical breakdowns, failures or breakages;
- (b) damage to tyres unless caused by an accident involving damage to the insured vehicle itself for which indemnity is provided under Article 1 of this Section.

ARTICLE II – LIABILITY TO THIRD PARTIES

The company will indemnify the insured against all sums, including claimant's costs and expenses, which the Insured shall become legally liable to pay in respect of

- (a) accidental death of or bodily injury to any person;
- (b) accidental damage to any insured vehicle held in trust by or in the custody or control of the Insured;
- (c) accidental damage to any other property (that is, any property other than a vehicle); arising in or on the premises, the situation of which is stated in the schedule, out of the activities of the Insured's business.

Provided always that:

- (a) the company will indemnify the Insured against all costs and expenses (which be connected with the indemnity provided under Article II of this Section) incurred with the company's written consent;
- (b) the liability of the company under Article II of this Section in respect of death, injury, damage, costs and/or expenses shall be limited to the sum specified in respect of Article II under the heading "LIMITS OF LIABILITY" in the schedule of this Section, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence and in respect of all accidents (whether single accidents or otherwise) occurring during any one term of insurance; **except** that in respect of death, injury, damage, costs and/or expenses directly or indirectly due to or in consequence of **fire or explosion**, the liability of the company under Article II of this Section shall be limited to the sum specified in respect of Article II under the heading "LIMITS OF LIABILITY" in the schedule, or the sum of R300 000 (Three hundred thousand Rand), whichever is the lesser, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence and in respect of all accidents (whether single accidents or otherwise) occurring during any one term of insurance.

Specific Exceptions applicable to Article II

The company shall not be liable under Article II of this Section in respect of:

- (a) death of or injury to any person in the employment of the Insured arising out of and in the course of such employment;
- (b) death of or injury to any person being a member of the same household as the Insured;
- (c) damage to property belonging to, held in trust by or in the custody or control of the Insured or belonging to a member of the same household as the Insured or belonging to an employee of the Insured;
- (d) damage to any insured vehicle the property of the Insured or a member of the same household as the Insured or an employee of the Insured.

DEFINITIONS

For the purposes of this Section the expression

"**schedule**" used in this Section shall mean – the schedule of this Section.

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

"**Insured's business**" used in this Section shall mean – the Insured's business as stated in the schedule.

"**insured vehicle**" used in this Section shall mean – any motor vehicle and/or trailer including the spare wheel(s) and standard issued tools, accessories and spare parts of such motor vehicle and/or trailer whilst thereon as well as other accessories and spare parts of such motor vehicle and/or trailer whilst attached thereto.

Clause regarding application of limits of indemnity

In the event of any accident involving indemnity to more than one person any limitation by the terms of this Section and/or of any endorsement thereon of the amount of any indemnity shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the Insured.

Clause regarding first portion for which the Insured is responsible

In respect of each and every occurrence regarding Articles I and II of this Section and notwithstanding anything to the contrary contained in such Articles the Insured shall be responsible for the first portion, as stated under the heading "First Portion Payable" in the schedule, of any expenditure (or any less expenditure which may be insured) for which provision is made under the aforesaid Articles (including any payment in respect of costs, expenses and fees) and of any expenditure by the company in the exercise of the company's discretion under Article I of this Section and General Condition 7(a)(ii) of this policy. If the expenditure incurred by the company shall include the amount for which the Insured is responsible in terms of this Clause, such amount shall be paid by the Insured to the company forthwith.

For the purpose of this Clause the expression "occurrence" used in this Clause shall mean an occurrence or series of occurrences due to or arising out of one cause in connection with any one vehicle in respect of which indemnity is provided by this Section.

Clause regarding No Claim Rebate

In the event of no claim being made or arising under this Section during a term of insurance not less than twelve months immediately preceding the renewal date the premium for the renewal of this Section shall be reduced by 10% which reduction shall not be cumulative.

Should the company consent to a transfer of interest in this policy the No Claim Rebate earned by the transferor shall not accrue to the benefit of the transferee.

Specific Exceptions applicable to all Articles of this Section

The company shall not be liable under this Section in respect of:

- (1) so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This Exception shall apply notwithstanding that no insurance under the said enactments is in force or has been effected;
- (2) death, injury or damage directly or indirectly caused by fire or explosion or lightning, provided that this Exception shall not apply to any claim under Article II (a) and II (b) of this Section arising from death, injury or damage caused by fire or explosion resulting directly from the possession of any motor vehicle;
- (3) any consequence of theft or housebreaking or any attempt thereat;
- (4) damage to any vehicle or any other property sustained while it is being worked upon and directly resulting from such work;
- (5) any defective workmanship or any consequence thereof;
- (6) death, injury or damage caused by or through any demolition of or structural alteration or addition to the premises or by or through the installation of any equipment;
- (7) death, injury or damage caused by or through or in connection with the use by or on behalf of the Insured or animals, power-driven cranes, elevators, lifts or hoists other than cranes or elevators forming part of any insured vehicle;
- (8) death, injury or damage resulting from the driving of the insured vehicle elsewhere than in or on the premises;
- (9) damage caused by weather conditions to the insured vehicle; (10) any claim arising out of any contractual liability;
- (10) any claim arising out of any contractual liability.

APPENDIX 1 – EXTENSIONS AND MODIFICATIONS

It is expressly declared and agreed that the following Extensions/Modifications (each individually) shall otherwise be subject to all the terms, exceptions and conditions of this Section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, as if they had been incorporated in such Extensions/Modifications.

(1) Extension regarding work away from premises (Only applicable if stated in the schedule as being included)

In consideration of the payment of an additional premium which is included in the premium of this Section it is hereby declared and agreed that the expression “premises” as defined in the Definitions of this Section shall be deemed to include any premises at which the Insured is performing work provided that such premises are not under the control of the Insured.

(2) Extension regarding car hoists (Only applicable if stated in the schedule as being included)

In consideration of the payment of an additional premium which is included in the premium on this Section it is hereby declared and agreed that the words “and car hoists having a lift not exceeding two metres” are added at the end of Specific Exception (7) of the Specific Exceptions applicable to all Articles of this Section.

(3) Modification regarding third party only cover (Only applicable if stated in the schedule as being included)

It is hereby declared and agreed that Article I and Article II(b) and the Clause regarding No Claim Rebate, are cancelled.