

OLDMUTUAL

BODY CORPORATE POLICY WORDING



INSURE

DO GREAT THINGS EVERY DAY

All products are underwritten by Old Mutual Insure Limited, an Authorised Financial Services Provider (FSP 12).



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 Old Mutual Insure Limited (hereinafter called the company) 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.

The colours, headings and titles in this policy are for ease of reference only and the entire exception, condition, provision, extension, limitation or clause must be read to get its full meaning.

Sometimes policy wording is quite technical and may be difficult to understand. Please use the following URL address to access a handy guide that explains the more complex concepts.

<https://www.oldmutual.co.za/business/goals/run/multisure>

General definitions

The following definitions apply to the words or terms listed below wherever they appear in this policy unless specifically otherwise indicated:

1 Body corporate

body corporate shall mean

the controlling and governing body of the building(s) as described in the schedule.

2 Business

business shall mean

the business conducted by the body corporate and/or its trustees in exercising its powers referred to in Section 38 of The Act

3 Common property

common property shall mean

that part of the property insured which does not form a part of a section but which is described on the sectional plan stated in the schedule.

4 Employee

employee shall mean

4.1 any person while employed under a contract of service with or apprenticeship to the insured;

4.2 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/her work in the course of the business of the insured and who is described in the schedule by name and/or by the position held by him/her but excluding managing agents.

5 Owner

Owner shall mean

all registered owners of a unit including the spouse and children of the owner normally resident with the owner.



6 Participation quota in the common property

the participation quota of a section or of the owner of a section shall be a decimal fraction correct to three places arrived at by dividing the floor area correct to the nearest square metre of the section by the floor area correct to the nearest square metre of all the sections in the building or buildings comprised in the Scheme.

7 Section

section shall mean

a section as designated as such on the sectional plan bearing the number stated in the schedule.

8 The Act

The Act shall mean

the Sectional Titles Act No. 95 of 1986 as amended or substituted from time to time

9 The insured

the insured shall mean

the body corporate and all unit owners and all mortgagees of registered mortgage bonds over the units in the scheme for their respective rights and interests.

10 The scheme

the scheme shall mean

the Sectional Title Development Scheme constituted in respect of the property.

11 Trustees

trustees shall mean

the elected trustees of the body corporate and who is described in the schedule by name and/or the position held by him.

12 Unit

unit shall mean

a section with its individual share in the common property apportioned to it in accordance with its participation quota.

13 VAT

VAT shall mean

the amount of value added tax payable by the insured or the company to the Revenue authorities in the Republic of South Africa at the ruling rate.

General exceptions

1 Asbestos (applicable to the Broadform public liability section)

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

2 Computer losses

General exception applicable to all sections of this policy insuring damage to property or the consequence 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:

- 2.1 loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising there from;
- 2.2 any legal liability of whatsoever nature;
- 2.3 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



- 2.1 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
- 2.2 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
- 2.3 to capture, save, retain or to process any information or code due to programme errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programmes, or
- 2.4 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 programme or interference.

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

Special extension to general exception 2

- 1 Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the Glass 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:

- 1.1 storm, wind, water, hail or snow excluding damage to property
 - 1.1.1 arising from its undergoing any process necessarily involving the use or application of water;
 - 1.1.2 caused by tidal wave originating from earthquake or volcanic eruption;
 - 1.1.3 in the underground workings of any mine;
 - 1.1.4 in the open (other than buildings structures and plant designed to exist or operate in the open);
 - 1.1.5 in any structure not completely roofed;
 - 1.1.6 being retaining walls;
- 1.2 aircraft, and other aerial devices or articles dropped there from;
- 1.3 impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.

} Unless so described and specifically insured as a separate item

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

- 2 General exception 2 also does not apply to consequential loss as insured by any Gross rental 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 1 above.
- 3 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.
- 4 This special extension shall not apply to any public liability indemnity.

3 Defective design, lack of maintenance and cost of maintenance

This policy does not cover loss of or damage caused by or attributed to defective design, defective workmanship, defective construction or defective material or lack of maintenance and the cost of maintenance to the insured property.

4 Floor coverings

This policy does not cover the replacement of floor coverings other than in the room or rooms in which the damage occurred.



5 Nuclear weapons and radiation

This policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed by or arising from:

- 5.1 ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- 5.2 nuclear material, nuclear fission or fusion, nuclear radiation;
- 5.3 nuclear explosives or any nuclear weapon;
- 5.4 nuclear waste in whatever form;

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

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

6 Sanctions exclusion

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

7 War, riot and terrorism

- 7.1 This policy does not cover loss of or damage to property related to or caused by:
 - 7.1.1 civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;
 - 7.1.2 war, invasion, act of foreign enemy, hostility or warlike operations (whether war be declared or not) or civil war;
 - 7.1.3 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;
 - 7.1.4 insurrection, rebellion or revolution;
 - 7.1.5 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;
 - 7.1.6 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;
 - 7.1.7 any attempt to perform any act referred to in clause 7.1.5 or 7.1.6 above.
 - 7.1.8 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause 7.1.1, 7.1.2, 7.1.3, 7.1.4, 7.1.5, 7.1.6 or 7.1.7 above.

If the company alleges that, by reason of clause 7.1.1, 7.1.2, 7.1.3, 7.1.4, 7.1.5, 7.1.6, 7.1.7 or 7.1.8 of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

- 7.2 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.
- 7.3 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 7.3 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 7.3 of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

8 Wear and tear

This policy does not cover loss or damage arising from depreciation of or gradual deterioration to insured property occurring over a period of time.

General conditions

1 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.

2 Cancellation

This policy or any section may be cancelled at any time by the company giving 31 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.

3 Claims

- 3.1 On the happening of any event which may result in a claim under this policy the insured shall, at their own expense
 - 3.1.1 give notice thereof to the company as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured
 - 3.1.2 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
 - 3.1.3 as soon as practicable after the event submit to the company full details in writing of any claim
 - 3.1.4 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.
- 3.2 No claim (other than a claim under the Gross rentals, Fidelity or the Personal accident (assault) extension under the Money section, if applicable) shall be payable after the expiry of 24 months or such further time as the company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- 3.3 No claim shall be payable unless the insured claims payment by serving legal process on the company within 12 months of the rejection of the claim in writing and pursues such proceedings to finality.
- 3.4 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.



4 Collective insurance

- 4.1 If this insurance policy is a collective insurance policy then the following amendment is made to general condition 3.1.4 above
- 3.1.4 give the leading insurer on behalf of the insurers such proofs, information and sworn declarations as the insurers may require and forward to the leading insurer immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim.

and general condition 5 (Company's rights after an event) is substituted by the following:

5 Insurer's rights after an event

- 5.1 On the happening of any event in respect of which a claim is or may be made under this policy the leading insurer and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the insurers to rely upon any conditions of this policy,
- 5.1.1 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
- 5.1.2 take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the leading insurer.
- 5.2 The insured shall, at the expense of the insurers, do and permit to be done all such things as may be necessary or reasonably required by the insurers for the purpose of enforcing any rights to which the insurers shall be or would become subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
- 5.3 In respect of any section of this policy under which an indemnity is provided for liability to third parties, the insurers may, in the case of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the insurers shall thereafter not be under further liability in respect of such event."
- 4.2 Where more than one insurance company or insurer participates in this insurance, the definition of "company" is amended to "insurers" wherever it appears in the policy. In this event
- 4.2.1 the percentage share of each insurer will be as expressed in the schedule of this policy;
- 4.2.2 the company that has issued this policy (called the Lead Insurer) on behalf of the co-insurers shall incur no additional liability on behalf of the co-insurers and the liability of each insurer individually shall be limited to the percentage share set against its name;
- 4.2.3 any dispute and any subsequent legal process following rejection of a claim by a specific insurer/s shall be a matter restricted between the insured and such specific insurer/s only.

5 Company's rights after an event

- 5.1 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,
- 5.1.1 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 of by the company or not.

5.1.2 take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the company.

5.2 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.

5.3 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.

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

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

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

6.1 each third

6.2 each sixth or

6.3 each twelfth calendar month following inception where premium is payable quarterly, half-yearly or annually.

7 Fire protection

It is a condition precedent to liability that fire-fighting equipment must be installed on the insured property and such equipment must be maintained and serviced in accordance with the requirements of the National Building Regulations and/or any other applicable laws and/or By-laws.

8 Fraud

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

9 Matching building materials

While the company has a duty to repair and/or reinstate insured property to its previously undamaged condition

9.1 should materials required to give effect to such repair be unavailable, the company will make every endeavour to obtain such materials failing which the company's obligation will be limited to utilising materials which in the company's estimation closely match such unavailable materials.

9.2 the obligation to replace and/or repair insured property shall not include any costs that may be required to achieve aesthetic uniformity with the rest of the insured property.

10 Misrepresentation, misdescription and non-disclosure

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



11 No rights to other persons

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

12 Other insurance

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

13 Prevention of loss

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

14 Reinstatement of cover after loss

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.

General provisions

1 Claims preparation costs

The insurance by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company in terms of general condition 3 (Claims) 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 the amount stated in the schedule to each section against an item for claims preparation costs.

2 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.

3 Holding covered

If the company agrees to hold covered on a risk the company may not reject a claim on the basis that the premium has not been agreed. Payment of such claim will however be conditional on the subsequently agreed premium being paid before any claim payment is made or repairs or replacement is authorised.

4 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.

5 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.

6 Members

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

7 Payments on account

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

8 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.



9 Schedule sums insured blank

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

9.1 left blank or has no monetary amount stipulated against it

9.2 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.

10 Security firms

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

The company shall not raise as a defence to any valid claim submitted under any section or 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 firm relating to the protection of the insured property.

11 Value added tax

It is understood and agreed that the monetary amounts as reflected in the sums insured and/or limits of indemnity shall be applied to:

11.1 the indemnity or amounts payable in terms of this policy and to which sums the terms, provisions, conditions and limitations of this policy shall apply; and

11.2 value added tax at the current rate as promulgated in legislation relating thereto

Subject to such sums insured/limits of indemnity being adequate to embrace the amounts reflected under 11.1 and 11.2 above, the company will, to the extent that the insured is accountable to the tax authorities for value added tax in respect of any payment in terms of this policy, include the amount of such tax in the final settlement of any claims in terms of the policy, provided that the total amount payable for any defined event and value added tax related thereto shall not exceed the sum insured/limit of indemnity set against such defined event.

In circumstances referred to herein under which the insured is required to bear the first amount of any loss (the first amount payable), such amount shall also be inclusive of value added tax in like manner to the sum insured/limit of indemnity referred to above.

Further, in the event of a change in the rate of VAT during the period of insurance, sums insured, and if appropriate, premiums, shall be adjusted accordingly.



SECTION 01 BUILDINGS

Defined Events

- 1 Damage by the perils described 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), landlord's fixtures and fittings, walls (except dam walls), gates, posts and fences (excluding hedges), sporting and recreational structures including landlord's fixtures and fittings therein and thereon, plant, equipment and other structures and improvements of a permanent nature, fire extinguishing equipment, railway sidings, tenants fixtures and fittings (if stated in the schedule to be included), tarred, concrete and paved roads, driveways, paths, parking areas and patios situate as stated in the schedule
- 2 Loss of rent as provided for in sub-section B
- 3 Replacement of geysers as provided for in sub-section C
- 4 Maintenance of geysers as provided for in sub-section D

Sub-section A - Property

1 Fire

fire, lightning, thunderbolt, subterranean fire, explosion

2 Aerials

accidental loss or damage, breakage or collapse of radio or television aerials or masts or satellite dishes.

3 Aircraft

aircraft or other aerial devices or articles dropped there from

4 Bursting

bursting or overflowing or leakage of water or oil from any tanks, apparatus or pipes excluding loss or damage:

- 4.1 to the actual geysers
- 4.2 as a result of visible wear or tear or gradual deterioration, rust, corrosion, mildew or damp;
- 4.3 subsidence or landslip;
- 4.4 as a result of the insured's failure to take reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage.

5 Earthquake

earthquake

6 Glass and sanitaryware

accidental breakage of fixed glass and sanitaryware in the buildings insured herein provided that the company shall not be liable for:

- 6.1 the first amount payable as stated in the schedule for this peril;
- 6.2 damage caused by chipping, scratching and other disfiguration;
- 6.3 more than R15 000 in the event of loss or damage to glass in or on buildings which buildings are not utilised for residential buildings.

7 Impact

impact by falling objects, animals, trees, aerials, satellites, satellite dishes or vehicles excluding damage to such falling objects, animals, trees, aerials, satellite dishes, vehicles or property in or on such vehicles



8 Pumps and machinery

accidental loss of or damage to pumps or machinery required to operate swimming pools, boreholes, sauna/spa baths, automatic gates and garage doors other than loss or damage:

8.1 to gate motors;

8.2 caused by wear and tear, lack of maintenance, or any process of cleaning repairing altering or restoring, gradual deterioration, mechanical or electrical breakdown, failure or derangement

up to the amount as stated in the schedule for any one claim provided that the insured shall be responsible for the first amount payable as stated in the schedule.

9 Storm and water

storm, wind, water, hail or snow excluding loss or damage

9.1 arising from its undergoing a process necessarily involving the use or application of water

9.2 wear and tear or gradual deterioration

9.3 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

9.4 arising from mildew, damp, rising damp, rust corrosion or rot

9.5 caused or aggravated by subsidence or landslip

9.6 to retaining walls

10 Theft by forcible and violent entry or exit

theft (or any attempt thereof) 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, cover will be suspended as regards such unoccupied building unless the insured before the occurrence of damage obtains the written agreement of the company to provide cover in terms of this peril. The insured shall during the period of initial unoccupancy become a co-insurer with the company and shall bear a rateable proportion of any damage equal to 20% of the claim with a maximum of R5 000 000 before deduction of any first amount payable.

11 Water, sewerage, gas, electricity, telecommunications and other similar services

accidental damage to water, sewerage, gas, electricity, telecommunications and other similar services situated between the property of the insured or for which the insured is legally responsible.

Specific condition applicable to sub-section A

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. This condition shall apply to the individual units and not to the Scheme as a whole.

Clauses and extensions applicable to property insured by sub-section A

1 Animal kennelling

The company will indemnify the insured for the cost of animal kennelling following damage to a unit or number of units where the owner(s) or tenant of the unit is required to vacate the unit in order to give effect to reinstatement and/or repair of the unit up to the limit as stated in the schedule.

2 Architect's and other professional fees clause

The insurance under this section 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% of the reinstatement and/or replacement costs and provided that the total claim amount shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include costs incurred in connection with the preparation of the insured's claim.

3 Automatic sprinkler system update clause

Costs and expenses necessarily incurred by the insured in complying with any legal requirements to upgrade or replace undamaged portions of any automatic sprinkler system, or automatic drencher, gas or foam installation following damage by an insured peril limited to the amount stated in the



schedule per event. Cover will only apply if the insured can produce evidence of a current ASIB certificate at the time of the loss.

4 Bacterial infection

The insurance under this section is extended to include costs required to procure professional contract bacterial disinfection services to the interior of any building as a result of the interior having been subjected to sewage or waste-water back-flooding. The costs are limited to the amount stated in the schedule and the insured shall be responsible for the first amount payable as stated in the schedule.

5 Capital additions

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property up to an amount not exceeding 15% of the sum insured on condition that the insured advises the company each quarter (or if the period of insurance is more often than quarterly, each month) of such alterations, additions and improvements and to pay to the company the appropriate additional premium thereon.

6 Cost of demolition, clearing and erection of hoardings

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

The company will not pay for any costs or expenses

6.1 incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site

6.2 arising from pollution or contamination of property not insured by this policy/section

7 Damage to landscaped gardens

The insurance under this section includes costs up to the amount stated in the schedule reasonably and necessarily incurred by the insured and as required for the replacement of trees, shrubs, lawns, plants and fixed sprinkler installations installed on the insured property following loss or damage caused by fire, fire-fighting or other emergency services operations, explosion, impact by vehicles or aircraft or other aerial devices or articles dropped therefrom, deliberate or malicious acts but excluding theft and provided that the total amount payable shall not exceed the sum insured on the property stated in the schedule.

8 Escalator clause extension

The sum(s) insured under sub-section A of this section shall be increased as follows:

8.1 during the period of insurance the percentage specified in the schedule reflected against "current insurance period", which the number of days since the commencement of such period bears to the whole of such period;

8.2 at the time of any damage to property insured under sub-section a by any peril insured against, the sum(s) insured at such time shall be increased by the percentage specified in the schedule reflected against "further reinstatement period".

9 Fire extinguishing charges

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

10 Furniture temporary storage and transit

In the event of damage to insured property where it becomes necessary to remove and store furniture and other personal effects belonging to any unit owner in a storage facility the company will reimburse the insured for such costs incurred per event up to the limit as stated in the schedule.

Under no circumstances will the company compensate the insured for loss or damage to such furniture or personal effects.

The costs under this extension are limited to the time period as may be reasonably required to reinstate the damaged property with an additional period of seven days added thereto.



11 Generators

If, in the event of damage to any electrical reticulation installed on the insured property by an insured peril, it becomes necessary to hire a generator(s) (including power connecting cables and reticulation) in order to continue to provide electrical power to the insured property as existed prior to such damage, then the company will pay for the costs incurred for such hire but only for the period necessary to repair or replace such electrical reticulation up to the amount stated in the schedule.

12 Home modifications – this extension only applies to residential buildings insured under this section.

The company shall at its discretion contribute up to the limit stated in the schedule towards the costs of altering or modifying any unit and/or property insured following an insured event where such event resulted in permanent disability to the owner of the unit.

13 Leakage extension

The company will indemnify the insured for damage caused by discharge or leakage from any sprinkler, drencher system or fire extinguishing installation/appliance

14 Locks and keys

The company will indemnify the insured for the cost of replacing locks, keys and access devices to the insured premises following a loss for which the company has admitted liability under peril 10 (Theft by forcible and violent entry or exit) up to the limit as stated in the schedule.

15 Loss of water

The company will indemnify the insured for the increased units of water resulting from leaking pipes in any unit or on the common property on the insured property as stated in the schedule provided that the insured may be held legally liable to pay for such costs subject to the following:

- 15.1 the company will only indemnify the insured if the meter reading for four consecutive months confirms that the average unit count of water has exceeded 50%
- 15.2 if the insured discovers a leak, either by physical evidence or from an abnormally high water bill, the insured must take immediate steps to repair the pipes at their own cost or the company will not indemnify the insured for the costs of the loss of water
- 15.3 the company will not indemnify the insured for water lost from:
 - 15.3.1 leaking taps, geysers, or toilet systems and storage tanks;
 - 15.3.2 swimming pools or leaks in their inlet or outlet pipes;
 - 15.3.3 leaks resulting where the building is unoccupied for more than 30 consecutive days.
 - 15.3.4 as a result of the deliberate act of the insured or any person acting on his behalf
 - 15.3.5 for the cost of refilling of swimming or other pools or ponds whether following leakage or otherwise
- 15.4 the insured can claim for a maximum of two separate events in every 12-month period.
- 15.5 the company will indemnify the insured up to the limit as stated in the schedule.

16 Malicious damage extension

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

- 16.1 movable property which is
 - 16.1.1 stolen
 - 16.1.2 damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
- 16.2 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
- 16.3 immovable property owned or occupied by the insured occasioned by or through or in consequence of
 - 16.3.1 the removal or partial removal or any attempt thereof
 - 16.3.2 the demolition or partial demolition or any attempt thereof



the said immovable property or any part thereof with the intention of stealing any part thereof.

Provided this extension does not cover

- 16.1 loss or damage related to or caused by fire or explosion
- 16.2 consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured
- 16.3 loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation
- 16.4 loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority
- 16.5 loss or damage related to or caused by an occurrence referred to in general exception 7.1.1, 7.1.2, 7.1.3, 7.1.4, 7.1.5, 7.1.6 or 7.1.7 of this policy or the act of any lawfully established authority in controlling preventing or suppressing or in any other way dealing with such occurrence

If the company alleges that, by reason of proviso 16.1, 16.2, 16.3, 16.4, or 16.5, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

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

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

17 Maintenance and cleaning equipment – this extension only applies to non-residential buildings insured under this section.

This policy is extended to include cover to such equipment as a result of loss or damage caused by perils 1 (Fire), 3 (Aircraft), 5 (Earthquake), 7 (Impact), 9 (Storm and water) and 10 (Theft by forcible and violent entry or exit) of the policy up to the limit stated in the schedule. .

18 Medical, trauma and funeral costs

If any security guard, caretaker, building supervisor or gardener in the permanent employment of the insured is the victim of unlawful physical assault which occurs in the course and scope of his/her employment, the company will pay to the insured, on behalf of such employee or employee's estate, up to the limits stated in the schedule in respect of:

- 18.1 medical costs and expenses, including ambulance and hospital fees;
- 18.2 psychological counselling necessitated by such unlawful physical assault;
- 18.3 funeral expenses following the death of the employee directly caused by the unlawful physical assault and occurring within three months of such unlawful assault provided that any medical costs and expenses recoverable or received in terms of any workmen's compensation enactment shall be deducted from the indemnity provided.

The company's maximum liability under this extension per event shall be the limit as stated in the schedule.

19 Municipal plans scrutiny fee clause

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

20 Public authorities' requirements clause

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

- 20.1 the amount payable under this clause shall not include
 - 20.1.1 the cost incurred in complying with any of the aforesaid regulations
 - 20.1.1.1 in respect of damage occurring prior to the granting of this clause
 - 20.1.1.2 in respect of damage not insured by this section
 - 20.1.1.3 under which notice has been served upon the insured prior to the happening of the damage



- 20.1.1.4 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
- 20.1.2 the additional cost that would have been required to reinstate 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
- 20.1.3 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
- 20.2 the work of repairing or rebuilding must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially on another site (if the aforesaid regulations so necessitate) subject to the liability of the company under this clause not being thereby increased
- 20.3 if the liability of the company under any item of this section apart from this clause shall be reduced by the application of any of the terms, exceptions and conditions of this section, then the liability of the company under this clause in respect of any such item shall be reduced in like proportion
- 20.4 the total amount payable under any item of this section shall not exceed the sum insured thereby.

21 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.

22 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

- 22.1 the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch, otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein shall be made
- 22.2 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
- 22.3 if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in the replacement or reinstatement if the whole of the insured property had been damaged exceeds the sum insured thereon at the commencement of any damage to such property by a defined event, then the insured shall be considered as being their own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each unit to which these conditions apply shall be separately subject to this provision
- 22.4 these conditions shall be without force or effect if
 - 22.4.1 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
 - 22.4.2 the insured are unable or unwilling to replace or reinstate the property on the same or another site

23 Removal of trees

The company will pay for the cost of removing trees (including parts of trees) that have fallen on and caused damage to the property insured up to the amount stated in the schedule.



24 Riot and strike extension (excluding loss or damage occurring in the Republic of South Africa and Namibia) (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:

- 24.1 civil commotion, labour disturbances, riot, strike or lockout;
- 24.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 24.1 above;

Provided that this extension does not cover:

- 24.1 loss or damage occurring in the Republic of South Africa and Namibia;
- 24.2 consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- 24.3 loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- 24.4 loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- 24.5 loss or damage related to or caused by any occurrence referred to in general exception 7.1.2, 7.1.3, 7.1.4, 7.1.5, 7.1.6 or 7.1.7 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 24.1, 24.2, 24.3, 24.4 or 24.5, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

25 Security services

The company will indemnify the insured for the cost of hiring security guards and/or security services to protect the property insured as a result of such property being damaged by an insured peril up to the amount stated in the schedule.

26 Subsidence and landslip – limited cover

The company will indemnify the insured against loss or damage caused by subsidence and landslip other than loss or damage caused to or by:

- 26.1 drains, water courses, boundary walls, garden walls, screen and retaining walls, gate posts, gates; fences, driveways, paving, swimming pool borders or tennis courts;
- 26.2 or attributable to faulty design, insufficient compacting or filling, poor construction;
- 26.3 removal or weakening of support;
- 26.4 structural alterations, additions or repairs;
- 26.5 surface or subterranean excavations except those performed during mining operations;
- 26.6 normal settlement, shrinkage or expansion;
- 26.7 contraction or expansion of clay and similar soil types due to its moisture or water content;
- 26.8 existing damage at inception of this extension;
- 26.9 consequential loss of any kind whatsoever except loss of rent.

Should the company allege cover under this extension does not apply the insured shall have the burden of proving the contrary.

27 Subsidence and landslip extended cover (if stated in the schedule to be included)

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

Loss or damage caused by subsidence or landslip

Provided that the insured shall bear the first amount payable as stated in the schedule of each and every claim.

This extension does not cover

- 27.1 damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured;
- 27.2 damage caused by or attributable to:
 - 27.2.1 faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises;



27.2.2 workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises;

27.2.3 excavation on or under land other than excavations in the course of mining operations;

27.3 consequential loss of any kind whatsoever except loss of rent.

Should the company allege that, by cover under this extension does not apply, the insured shall have the burden of proving the contrary.

28 Temporary removal clause

Except insofar as otherwise insured, landlord's fixtures and fittings are covered while temporarily removed to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

Provided that the amount payable under this clause shall not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed.

29 Tenants clause

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

30 Theft of landlord's exterior fixtures and fittings (if stated in the schedule to be included)

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

"theft of exterior landlord's fixtures and fittings removed by forcible and violent means from the building, limited to the amount stated in the schedule. If any building or part of the building insured becomes unoccupied for 30 consecutive days cover will be suspended as regards such unoccupied building unless the insured before the occurrence of damage obtains the written agreement of the company to provide cover in terms of this peril. In the event that the company has been duly notified and the company has agreed to provide cover in terms of this peril, the insured shall during the period of the initial unoccupancy become a co-insurer with the company and shall bear a rateable proportion of any damage equal to 20% of the claim with a maximum of R5 000 000 before deduction of any first amount payable".

31 Unit owners clause

The insurance by this section shall not be invalidated by any act or omission by the owner of a unit whereby the risk of loss, destruction or damage or liability is increased provided that the insured shall notify the company as soon as such act or omission comes to their knowledge and pay any additional premium for the time such increased hazard shall have been assumed by the company.

Sub-section B - Loss of rent

Loss of rent as a result of the property insured or any part thereof being so damaged by any of the perils specified in sub-section A as to be rendered untenable but only for the period necessary for reinstatement and for an amount not exceeding the percentage as stated in the schedule of the sum insured on the portion(s) affected. The basis of calculation shall be:

- 1 the annual rental value of the unfurnished section(s) if it was permanently occupied by the owner;
- 2 the annual rent of the unfurnished section(s) if it was tenanted at the time of the damage.

Sub-section C – Electrical and solar geyser replacement

Defined event

This sub-section covers the replacement of electrical and solar geysers installed in the buildings insured under sub-section A due to any rupturing or leaking that may arise from the perils in sub-section A or from impact, rust, decay, gradual deterioration, wear and tear or hidden defects in the electrical geyser or its components.

Definition of a geyser

For the purposes of this sub-section a geyser shall include:



- 1 the actual cylinder or tank;
- 2 control valves;
- 3 stop cocks and all inlet pipes and fittings installed no more than 1.5 metres from the geyser unit for the purpose of controlling the water flow to the geyser unit only;
- 4 drain cocks
- 5 safety valves
- 6 vacuum breaker(s)
- 7 elements
- 8 thermostats
- 9 drip trays
- 10 feeder tank valves

Limit of liability

The maximum liability of the company under this sub-section for any one geyser shall be limited to the amounts as stated in the schedule.

Specific conditions applicable to sub-section C

1 Replacement of electrical geyser with a solar geyser

In the event of the company admitting liability and a new electrical geyser is to be installed, the insured may opt to replace the existing electrical geyser with a solar geyser provided that cover is limited to the amount that the company would have paid for a conventional electrical geyser plus the amount that the insured would have received from Eskom as a rebate. This is conditional upon the insured ceding such rebate to the company's contracted geyser replacement specialists.

2 Reporting of damage

Loss or damage to electrical and solar geysers must be reported to the company's call centre on 0860 24 7 365 so that the claim can be administered through the company's specialist geyser replacement facility.

Non-compliance with this requirement will not result in the claim being rejected but the following conditions will apply:

- 2.1 any cost incurred by the insured in respect of an electrical geyser which exceeds the limit stated in the schedule will be for the insured's own account.
- 2.2 the maximum amount payable for any costs incurred by the insured in respect of the replacement of a solar geyser will not exceed the amount payable for electrical geysers as stated in the schedule.

Specific exceptions applicable to sub-section C

The company shall not be liable for:

1 Consequential loss

consequential loss of any kind whatsoever;

2 Failure of supply

loss or damage directly or indirectly caused by or contributed to or arising from the failure of and/or the deliberate withholding and/or lack of supplies of water, gas, electricity or fuel;

3 Faulty design

loss or damage directly or indirectly caused by or contributed to or arising from faulty or defective design;

4 First amount payable

the first amount payable, as stated in the schedule. Such first amount payable is payable directly to the contractor appointed by the company's call centre.

5 Manufacturer's guarantee

any loss or damage that is or should be covered by the manufacturer's guarantee or warranty. The company shall not provide cover in the circumstance where the terms of the manufacturer's guarantee or warranty has been breached by the insured;



Sub-section D – Geyser Maintenance

Defined Event

Costs for emergency repairs or replacement of part(s) or components arising from the bursting, leaking, overflowing or non-functioning of the electrical geyser and any other related electrical geyser components as defined hereunder.

Definition of an electrical geyser

For the purposes of this sub-section an electrical geyser shall include:

- 1 control valves;
- 2 stop cocks, inlet pipes and fittings installed no more than 1.5 metres from the geyser unit for the purpose of controlling the water flow to the geyser unit only;
- 3 drain cocks
- 4 safety valves
- 5 vacuum breaker(s)
- 6 elements
- 7 thermostats
- 8 drip trays
- 9 feeder tank valves

Limit of liability

Unlimited emergency repairs for loss or damage following the events defined herein.

Specific conditions applicable to sub-section D

1 Manufacturer's warranty period

Where the electrical geyser falls within the manufacturer's warranty or guarantee period, the manufacturer will be contacted on behalf of the insured to handle such manufacturing warranty failure.

2 Reporting of defined event

Any defined event must be reported to the company's call centre on 0860 24 7 365 for cover to operate and in no instance will the company's call centre refund any service provider who carried out repairs without the prior approval of the company's call centre and such costs will be for the insured's account.

Specific Exceptions

The company shall not be liable for:

1 Call out cost

the call out cost to attend to

- 1.1 ripple relays;
- 1.2 faulty circuit breakers;
- 1.3 tripped isolator switch;
- 1.4 tripped earth leakage;
- 1.5 tripped geyser mains.

2 Compliance certificate

repairs to obtain compliance certificates;

3 Consequential loss

consequential loss of any kind whatsoever;

4 Failure of supply

loss or damage directly or indirectly caused by or contributed to or arising from the failure of and/or the deliberate withholding and/or lack of supplies of water, gas, electricity or fuel including but not limited to the non-payment of electricity, water and other local governmental, municipal, service agency, any other private or body corporate services account;



5 Faulty design

loss or damage directly or indirectly caused by or contributed to or arising from faulty or defective design;

6 First amount payable

the first amount payable, as stated in the schedule. Such first amount payable is payable directly to the contractor appointed by the company's call centre.

7 Follow-up or preventative maintenance

loss or damage directly or indirectly caused by or contributed to or arising from events requiring follow-up maintenance or preventative maintenance not affected as prescribed by the manufacturer of the electrical geyser covered under this section of the policy;

8 Integrated or split heat pump geyser systems

maintenance services on integrated or split heat pump geyser systems;

9 Isolator switches and non-return valves

electrical isolator switches and consequential replacement of non-return valves on unbalanced water systems. Unbalanced water systems results from the installation of water mixer apparatus at the insured property without the installation of accompanying water pressure release valves or non-return valves to prevent geyser bursts or leaks;

10 Leak detection

any water and/or any other leak detection services;

11 Manufacturer's warranty

11.1 any loss or damage that is covered by the manufacturer, installer or supplier's guarantee or warranty;

11.2 services and/or repairs to equipment and/or installations still under manufacturer warranty;

12 Pipes and fittings

any loss or damage to cold and hot water supply pipes and fittings;

13 Power surge

damage to geyser components caused by power surges or any other external caused including but not limited to events such as ripple relay switching, load shedding or equipment such as power generators, power generating or power back-up equipment, heat pumps and any maintenance resulting therefrom;

14 Repair or replacement work

loss or damage directly or indirectly caused by or contributed to or arising from any subsequent destruction or damage to the electrical geyser installation following repair or replacement work carried out by the insured on the insured property;

15 Routine installations

routine installations, electrical connections and installations and/or connections of any sort not related to the electrical geyser;

16 SANS 10254-2004

any loss or damage after the geyser inspection or services provided by a service provider appointed by the company's call centre finds that the geyser installation does not comply with the SANS 10254-2004 (as amended from time to time) and the insured was notified of such non-compliant installation by registered letter and the insured failed to ensure that the geyser installation is maintained and compliant with the SANS 10254-2004, no cover shall be afforded under this sub-section for subsequent damage to such installation.

17 Solar, gas or photovoltaic panels

emergency geyser maintenance services, including parts, on geyser systems operating on solar, gas or photovoltaic panels;

18 Solar geysers and heat pump systems

any loss or damage to solar geysers and heat pump systems however, in the event of the non-functioning of such systems, the following services will be provided:



Where the solar geyser or heat pump systems falls

- 18.1 outside of its manufacturer, supplier or installer's warranty period, an approved installer or plumbing and/or electrical service provider will be dispatched to provide a free assessment of the failure to the insured. No repair or maintenance service costs will be covered under this sub-section of the policy.
- 18.2 within its manufacturer, supplier or installer's warranty period the relevant guarantor, if available, and upon request from the insured, will be contacted on behalf of the insured to handle such warranty failure. In this instance the onus is on the insured to provide the company's call centre with the guarantor's information.

General clause applicable to sub-sections A and B

Mortgagee Clause

It is hereby specially agreed that:

- 1 This insurance as to the interest of the mortgagees in the buildings, improvements, landlord's fixtures and rent insured only shall not be invalidated by:
 - 1.1 any act or neglect of the body corporate or any of the owners of units as defined in the Sectional Titles Act No. 95 of 1986, or as amended or replaced; or
 - 1.2 any misrepresentation or non-disclosure by the body corporate or any of the owners of sections at the time when the insurance is effected or renewed or during the currency thereof; or
 - 1.3 the alienation of property; or
 - 1.4 the occupation thereof for purposes which poses a risk in excess of that permitted by the policyProvided that
 - 1.1 such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been effected without the knowledge or privity of the mortgagees; and
 - 1.2 the mortgagee shall notify the company of the happening or existence of such act, neglect, misrepresentation, non-disclosure, alienation or occupation as soon as the same shall come to his or her knowledge; and
 - 1.3 the mortgagee shall on reasonable demand pay any additional premium for any increase in risk thereby created from the time such increased risk may be or shall have been assumed by the company during the continuance of this insurance; and
 - 1.4 any compensation payable in terms of this section shall be payable direct to the mortgagees of the particular unit in the order of preference of their bonds up to the value allocated to the particular unit in this policy or the aggregate of the amounts due by the unit owner to the mortgagees under their mortgage bonds whichever is the lesser.
- 2 As regards this clause the specific condition average, applies to the individual units (excluding the owner's interest in the land) and not to the property as a whole
- 3 No amount shall be payable in terms of this policy except in the event of actual physical damage to or destruction of the insured property, notwithstanding that the insured property may have been deemed to have been destroyed in terms of Section 48 of the Sectional Titles Act, No. 95 of 1986, as amended or replaced from time to time, and the provisions of that section shall not apply in regard to the application or interpretation of this policy.



SECTION 02 GROSS RENTALS

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Annual gross rentals

annual gross rentals shall mean

the gross rentals during the twelve months immediately before the date of the damage adjusted in terms of clause 2 (Adjustment clause)

2 Gross rentals

gross rentals shall mean

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

3 Indemnity Period

indemnity period shall mean

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

4 Standard Gross Rentals

standard gross rentals shall mean

the gross rentals during that period in the twelve months immediately before the date of the damage which corresponds with the indemnity period adjusted in terms of clause 2 (Adjustment clause)

Defined events

Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under section 1 Buildings but only in respect of defined events insured under sub-section A – Property of section 1 hereof (hereinafter termed damage).

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

The company will indemnify the insured in accordance with the provisions as set out below.

Specific conditions

1 Business rescue proceedings

The insurance under this section shall cease if the business is subject to business rescue proceedings as defined in the companies act or is permanently discontinued, except with the written agreement of the company.

2 Claims

On the happening of any damage in consequence of which a claim may be made under this section, the insured shall, in addition to complying with general conditions 3 (Claims) and 5 (Company's rights after an event), with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the indemnity period, or within such further time as the company may in writing allow, at their own expense deliver to the company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under this section shall be payable unless



the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the company forthwith.

Specification

1 Item 1 Gross Rentals

The insurance under this item is limited to

1.1 loss of gross rentals and

1.2 increase in cost of working

and the amount payable as indemnity hereunder shall be

1.1 in respect of loss of gross rentals

the amount by which the gross rentals during the indemnity period shall in consequence of the damage fall short of the standard gross rentals

1.2 in respect of increase in cost of working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of gross rentals which, but for that expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the amount of the loss of gross rentals thereby avoided

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

Extensions and Clauses

1 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.

2 Adjustment clause

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

If the damage occurs before the completion of the first year's trading of the business at the premises, the value of annual gross rentals and standard gross rentals shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of damage.

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

3 Prevention of Access

If property within a 15 km radius of the premises stated in the schedule is lost or damaged by a peril defined in Section 1 Buildings 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 the sum insured as stated in the schedule on the affected property. The basis of calculation shall be the rent receivable (for an unfurnished unit) immediately preceding the damage.



Unless stated to the contrary in the schedule, any claim under this extension is restricted to 90% of the sum insured and is subject to the resulting amount not exceeding R300 000 000.



SECTION 03 ACCIDENTAL DAMAGE

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Insured property

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

- 1.1 current coin (including Krugerrands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, and other certificates, documents or instruments of a negotiable nature
- 1.2 furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art
- 1.3 property in transit by air, inland waterway or sea
- 1.4 railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers
- 1.5 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
- 1.6 electronic data-processing equipment and external data media (punch cards, tape disks and the like) and the information they contain
- 1.7 property in the course of construction, erection or dismantling including materials or supplies related thereto
- 1.8 property in the possession of customers under lease, rental, credit or suspensive sale agreements
- 1.9 glass, china, earthenware, marble and other fragile or brittle objects

unless stated in the schedule to be insured.

Defined events

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 All Risks and Machinery Breakdown) listed in the index of this policy.

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

and

notwithstanding general condition 12 (Other insurance), 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

1 Altering or cleaning

loss of or damage to insured property caused by altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;

2 Breakdown or derangement

loss of or damage to insured property caused by breakdown, electrical, electronic and/or mechanical derangement;



3 Chemicals or liquids

3.1 loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container;

3.2 loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes;

4 Collapse

collapse of plant and machinery, buildings and structures (other than shelving or storage platforms);

5 Denting or chipping

loss of or damage to insured property caused by denting, chipping, scratching or cracking which does not affect the functionality of the insured property claimed for other than in respect of marble and granite tops, but limited to the amount stated in the schedule any one event;

6 Detention

detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process

7 Failure of supplies of water etc.

failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant;

8 Fault or defect

loss of or damage to insured property caused by fault or defect in its design, formula, specification, drawing, plan, materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, contamination, pollution, change in colour, flavour, texture or finish or its own wear and tear;

9 Fraud

loss of or damage to insured property resulting from or caused by or in connection with any fraudulent scheme, trick, device or false pretence practised on the insured (or any person having custody of the insured property) or fraud or the dishonesty of any principal or agent of the insured;

10 Overheating

loss of or damage to insured property caused by overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus;

11 Pair or set

more than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set or collection;

12 Perils and circumstances otherwise excluded

any peril excluded or circumstance precluded from any other insurance available from the company at inception hereof or for any first amount payable by the insured under such insurance, or for any reduction of amount payable under any claim due to the application of average;

13 Settlement or bedding down

settlement or bedding down, landslip, ground heave or cracking of structures or the removal or weakening of support to any insured property;

14 Termites, insects or vermin

loss of or damage to insured property caused by termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light;

15 Unexplained disappearance

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.



Clauses, extensions and limitations

1 Additional costs clause

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

- 1.1 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
 - 1.1.1 anything for which notice had been served on the insured prior to the insured event
 - 1.1.2 anything connected with undamaged property or undamaged portions of property
 - 1.1.3 rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the insured property
- 1.2 fees for the examination of municipal or other plans
- 1.3 costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding
- 1.4 the professional fees of architects, quantity surveyors and other consultants

and the sum insured on all insured property includes

- 1.5 charges levied by any authorised fire brigade for their services

but the company shall not be liable under 1.1, 1.2 or 1.4 unless the lost or damaged property is replaced or reinstated without undue delay nor under 1.4 for any expenses in connection with the preparation of the insured's claim.

Further, the company shall not be liable under 1.3 for any costs or expenses

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

2 Average clause (if stated in the schedule to be included)

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

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

3 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.

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.

5 Mortgagees clause

- 5.1 This insurance, as to the interest of the mortgagees in the buildings, improvements, landlord's fixtures and rent insured only shall not be invalidated by,
 - 5.1.1 any act or neglect of the body corporate or any of the owners of units as defined in the Sectional Titles Act No. 95 of 1986 as amended or replaced; or
 - 5.1.2 any misrepresentation or non disclosure by the body corporate or any of the owners of sections at the time when the insurance is effected or renewed during the currency thereof, or
 - 5.1.3 the alienation of the property; or
 - 5.1.4 the occupation thereof for purposes which poses a risk in excess of that permitted by the policy
- provided that,



- 5.1.1 such act, neglect, misrepresentation, non disclosure, alienation or occupation shall have been effected without the knowledge or privity of the mortgagee; and
 - 5.1.2 the mortgagee shall notify the company of the happening or existence of such act, neglect, misrepresentation, non disclosure, alienation or occupation as soon as same shall come to his or her knowledge; and
 - 5.1.3 the mortgagee shall on reasonable demand pay any additional premium for any increase in risk thereby created from the time such increased risk may be or shall have been assumed by the company during the continuance of this insurance; and
 - 5.1.4 any compensation payable in terms of this section shall be payable direct to the mortgagees of the particular unit in the order of preference of their bonds up to the value allocated to the particular unit in this policy or the aggregate of the amounts due by the unit owner to the mortgagees under their mortgage bonds whichever is the lesser.
- 5.2 No amount shall be payable in terms of this policy except in the event of actual physical damage to or destruction of the insured property, notwithstanding that the insured property may have been deemed to have been destroyed in terms of Section 48 of the Sectional Titles Act, No. 95 of 1986, as amended or replaced from time to time, and the provisions of that section shall not apply in regard to the application or interpretation of this policy.

6 Owners Clause

The insurance by this section shall not be invalidated by any act or omission by the owner of a Unit whereby the risk of loss, destruction or damage or liability is increased provided that the insured shall notify the company as soon as such act or omission comes to their knowledge and pay any additional premium for the time such increased hazard shall have been assumed by the company.

7 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.

8 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

- 8.1 the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section shall be made
- 8.2 the company shall not be liable for any payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section, until expenditure has been incurred by the insured in replacing or reinstating the lost or damaged insured property
- 8.3 if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon on the occurrence of an insured event, the insured shall be considered his own insurer for the difference and shall bear a rateable share of loss accordingly. Each item, if more than one, to which this memorandum applies shall be separately subject to this provision
- 8.4 this memorandum shall not apply if
 - 8.4.1 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
 - 8.4.2 the insured are unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

9 Tenants clause

The company's liability to the insured shall not be affected by any act or omission on the part of any tenant (other than the insured) without the insured's knowledge. The insured shall, however, inform the



company as soon as any such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased risk was assumed by the company.



SECTION 04 OFFICE CONTENTS

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Electronic data processing equipment

electronic data processing equipment shall mean computers and all related hardware, peripherals and computer software and the information or data stored therein or thereon.

2 Documents

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 policy schedule.

Defined events

- 1 Loss of or damage to the contents of the office (other than documents as defined in sub-section C if insured thereunder and electronic data processing equipment) situated at the premises as stated in the schedule and used by the body corporate including landlord's fixtures and fittings the property of the insured or for which they are responsible 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

Perils

1 Fire

fire, lightning, thunderbolt, subterranean fire, explosion

2 Accidental breakage of mirror glass

accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.

Specific condition average shall not apply to this peril

3 Aircraft

aircraft and other aerial devices or articles dropped therefrom

4 Earthquake

earthquake but excluding loss of or damage to property in the underground workings of any mine

5 Impact

impact by falling objects, animals, trees, aerials, satellite dishes or vehicles excluding damage to such falling objects, animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles



6 Storm and water

Storm, wind, water, hail or snow excluding loss of or damage to property arising from its undergoing any process necessarily involving the use or application of water

Limitations clause

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

Specific condition

Average

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

Specific exceptions applicable to sub-section A (Contents)

This sub-section does not cover

1 Designs etc.

designs, patterns, models or moulds (except to the extent that the said articles are insured in terms of subsection A), stock in trade, samples, motor vehicles and accessories therefor, money, securities, stamps, jewellery or precious stones

2 Power surge and lightning strikes

the first amount payable as reflected in the policy schedule if the loss or damage is due to power surge or lightning strikes.

3 Territorial limits

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

Sub-section B Rent

Loss of rent actually incurred by the insured in consequence of the office premises or portion thereof being so damaged by any of the perils specified in sub-section A as to be rendered uninhabitable, but only in respect of the period necessary for reinstatement. The indemnity under this sub-section shall not exceed the percentage stated in the schedule 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.

Limitations clause

The company's liability under this sub-section is limited to all costs, charges and expenses incurred by the insured in replacing or restoring such documents.

Specific exceptions applicable to sub-section C (Documents)

This sub-section does not cover

1 Dishonesty

loss or damage caused by the dishonesty of any trustee, principal, partner or director of the insured whether acting alone or in collusion with others. This exception shall not apply to any director who is also an employee of the insured and whom the insured has the right at all times to govern, control and direct in the performance of his work in the service of the insured and in the course of the business



2 Electronic or magnetic injury

loss or damage caused by electric or electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings except by lightning in which case the amount payable will be reduced by the first amount payable as stated in the policy schedule

3 Gradual deterioration

gradual deterioration or wear and tear

4 Reshooting of films

costs involved in reshooting films and videos and rerecording audio tapes

5 Vermin etc.

loss or damage caused by vermin or inherent defect or by processing, copying or other work upon the documents

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 exceptions applicable to sub-section D (Legal liability documents)

1 Liability assumed by agreement

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.

2 War and terrorism

in respect of this sub-section only, general exception 7 (War, riot and terrorism) 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.

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 the percentage as stated in the policy schedule of the sum insured on all contents of the office premises affected.

Clauses, extensions and limitations

1 Alterations and misdescription clause

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

2 Capital additions clause to sub-section A (Contents)

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

3 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 of destruction in part or in whole by such fire.

4 Locks and keys extension to sub-section A (Contents)

In addition to the limit of indemnity stated in the schedule, the company will indemnify the insured in respect of the cost of replacing locks and keys to any insured office premises following upon the disappearance of any key to such premises or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key provided that the company's liability shall not exceed the amount stated in the policy schedule in respect of any one event and that the company shall not be liable for the first amount payable as stated in the policy schedule for each and every event.

5 Malicious damage extension to sub-sections A (Contents), B (Rent) and C (Documents)

Subject otherwise to the terms, conditions, exceptions and warranties contained therein, sub-sections A, B and C are extended to cover damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage, other than damage to

- 5.1 movable property which is
 - 5.1.1 stolen
 - 5.1.2 damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
- 5.2 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
- 5.3 immovable property owned or occupied by the insured occasioned by or through or in consequence of
 - 5.3.1 the removal or partial removal or any attempt thereof
 - 5.3.2 the demolition or partial demolition or any attempt thereofthe said immovable property or any part thereof with the intention of stealing any part thereof

provided that this extension does not cover

- 5.1 damage related to or caused by fire or explosion
- 5.2 consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured
- 5.3 damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation
- 5.4 damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
- 5.5 damage related to or caused by any occurrence referred to in general exception 7.1.1, 7.1.2, 7.1.3, 7.1.4, 7.1.5, 7.1.6 or 7.1.7 of this policy or the act of any lawfully established authority 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 5.1, 5.2, 5.3, 5.4 or 5.5, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

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

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

6 New and additional premises clause

If the insured occupies offices or consulting rooms other than those situated as stated in the schedule in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi, the insurance by this section shall apply as though such offices or consulting rooms were office premises within the meaning of this section

provided that



- 6.1 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
- 6.2 this clause shall not apply to any loss if and so far as the same is otherwise insured.

7 Owners Clause

The insurance by this section shall not be invalidated by any act or omission by the owner of a Unit whereby the risk of loss, destruction or damage or liability is increased provided that the insured shall notify the company as soon as such act or omission comes to their knowledge and pay any additional premium for the time such increased risk shall have been assumed by the company.

8 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 insured peril, 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.

The company will not pay for any costs or expenses

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

9 Replacement value condition to sub-section A (Contents)

The basis upon which the amount payable for a claim in respect of contents is calculated shall be either the replacement of the contents by similar property in a condition equal to but not better or more extensive than its condition when new

or

the repair of the contents to a condition substantially the same as but not better than its condition when new

provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the contents had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the time of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

10 Riot and Strike (excluding loss or damage occurring in the Republic of South Africa and Namibia) extension sub-sections A (Contents), B (Rent) and C (Documents) (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:

- 10.1 civil commotion, labour disturbances, riot, strike or lockout;
- 10.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 10.1 above;

provided that this extension does not cover:

- 10.1 loss or damage occurring in the Republic of South Africa and Namibia;
- 10.2 consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- 10.3 loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- 10.4 loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- 10.5 loss or damage related to or caused by any occurrence referred to in general exception 1.1.2, 1.1.3, 1.1.4, 1.1.5 or 1.1.6 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 10.1, 10.2, 10.3, 10.4 or 10.5, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.



11 Temporary removal clause

Except in respect of the personal property of any partner, director, trustee 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.

12 Temporary repairs and measures after loss clause

The insurance under this section is extended to include all reasonable costs and expenses incurred by the insured in effecting such temporary repairs and by taking such temporary measures as may be reasonably necessary after loss of or damage to the insured property by any peril hereby insured against, provided that the liability of the company for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the schedule to be insured on the property affected.

13 Tenants clause

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

14 Theft by forcible entry extension

The following peril is added to the perils applicable to sub-section A (Contents)

7 Theft by forcible entry

Theft accompanied by forcible and violent entry into or exit from the offices, foyer, clubhouse, gatehouse, reception and laundry, or any attempt thereat or as a result of theft (or any attempt thereat) following violence or threat of violence provided that

- 7.1 the company will not be liable under this extension for theft or attempted theft by any member, trustee or employee of the body corporate
- 7.2 the amount payable will be reduced by the first amount payable shown in the schedule for this extension
- 7.3 the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable
- 7.4 specific condition average shall not apply to this peril.

15 Theft extension (if stated in the schedule to be included)

The following peril is added to the perils applicable to sub-section A (Contents)

7. Theft

Theft or any attempt thereat other than by any member, trustee or employee of the body corporate provided that

- 7.1 the amount payable will be reduced by the first amount payable shown in the schedule for this extension
- 7.2 the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable
- 7.3 specific condition average shall not apply to this peril.



SECTION 05 GLASS

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Glass

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

Defined events

This section shall operate only once the limit as stated in Section 1 Buildings has been exhausted.

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

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

1 Boarding up

the cost of such boarding up as may be reasonably necessary;

2 Fixtures and fittings

the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass;

3 Shop fronts etc.

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;

4 Watchman

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

- 1 for the replacement of glass, signwriting and treatment - the sum insured as stated in the schedule applicable to the premises at which loss or damage occurs;
- 2 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 as stated in the schedule.

Specific conditions

1 Average

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss or damage accordingly. This condition shall apply to the individual units and not to the scheme as a whole.

Specific exceptions

The company shall not be liable for

1 Cracked or broken

glass which, at inception of this insurance, is cracked or broken unless cover has been agreed by the company



2 Defacement

defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof

3 Fire etc.

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

4 Stock in trade

glass forming part of stock in trade

Clauses, extensions and limitations

1 Riot and strike (excluding loss or damage occurring in the Republic of South Africa and Namibia) (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:

- 1.1 civil commotion, labour disturbances, riot, strike or lockout;
- 1.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 1.1 above;

provided that this extension does not cover:

- 1.1 loss or damage occurring in the Republic of South Africa or Namibia;
- 1.2 consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically Insured;
- 1.3 loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- 1.4 loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- 1.5 loss or damage related to or caused by any occurrence referred to in General exception 7.1.2, 7.1.3, 7.1.4, 7.1.5, 7.1.6 or 7.1.7 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 1.1, 1.2, 1.3, 1.4 or 1.5 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.

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

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



SECTION 06 ALL RISKS

Defined events

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

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

Specific condition

1 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 the property, of greater value than the sum insured thereon, the insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the amount of loss or damage. Each item of the schedule covering such property shall be separately subject to this condition.

Specific exceptions

The company shall not be liable for

1 Bill of lading

loss of or damage to goods consigned under a bill of lading;

2 Breakdown or derangement

mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;

3 Cash

loss or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;

4 Cleaning or repair

loss of or damage to property resulting from or caused by its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration;

5 Detention

loss of or damage to property resulting from or caused by detention, confiscation or requisition by customs or other officials or authorities;

6 Dishonesty

loss of or damage to property resulting from or caused by the dishonesty of any trustee or employee of the insured whether acting alone or in collusion with others;

7 Inherent vice

loss of or damage to property resulting from or caused by inherent vice or defect, vermin, insects, damp, mildew or rust;

8 Repair

loss or damage during the fitting, adjustment, repair or dismantling of any insured property;

9 Scratching

scratching, denting or chipping not affecting the functionality of the insured property;

10 Theft from unattended vehicles

loss of or damage to property resulting from or caused by theft from any unattended vehicle in the custody or control of the insured or any trustee, employee of the insured or owner unless the property is



contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit;

If the insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence shall be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of the cab or boot of the vehicle;

11 Wear and tear

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.

Cluses, extensions and limitations

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

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

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

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

3 Replacement value condition

The basis upon which the amount payable is to be calculated shall be either

- 3.1 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
- 3.2 the repair of the property to a condition substantially the same as, but not better than, its condition when new

provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the property had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the commencement of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

4 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

- 4.1 civil commotion, labour disturbances, riot, strike or lockout;
- 4.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 4.1 above;

provided that this extension does not cover

- 4.1 loss or damage occurring in the Republic of South Africa or Namibia;
- 4.2 consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- 4.3 loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;



- 4.4 loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- 4.5 loss or damage related to or caused by any occurrence referred to in general exception 1.1.2, 1.1.3, 1.1.4, 1.1.5 or 1.1.6 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 4.1, 4.2, 4.3, 4.4 or 4.5, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.



SECTION 07 MONEY

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Clothing

clothing shall mean

clothing and personal effects not otherwise insured belonging to the insured or to any principal, partner, director, trustee or employee of the insured.

2 Money

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.

3 Receptacle

receptacle shall mean

any safe, strongroom, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

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.

Specific exceptions

The company shall not be liable for loss of or damage

1 Dishonesty

to money arising from dishonesty of any principal, partner, director, trustee or person or persons in the employ of the insured not discovered within 14 working days of the occurrence thereof.

Loss of or damage to money as insured under this section arising from dishonesty of any principal, partner, director, trustee or person in the employ of the insured (such person), as defined under this section, shall be subject to the compulsory first amount payable as stated in the schedule.

2 Error or omission

to money arising from shortage due to error or omission;

3 Fidelity insurance

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.

4 Money in unlocked safe

to money in an unlocked safe or strongroom whilst the portion of the premises containing such safe or strongroom is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the keyholder to the safe or strongroom deliberately left it unlocked with the intention of allowing the money to be stolen;



5 Money not in locked safe

to money not contained in a locked safe or strongroom whilst the portion of the premises containing such money is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the person(s) responsible for the money deliberately left it outside the safe or strongroom with the intention of allowing it to be stolen;

6 Money in vehicle

to money in any vehicle being used by the insured unless a principal, partner, director, trustee or employee of the insured is actually in such vehicle or, if not in such vehicle, is within 5 metres of it in a position from which the vehicle is clearly visible. This exception shall not apply following an accident involving such vehicle rendering the said person incapacitated.

7 Use of keys

to money arising from the use of keys to any safe or strongroom unless the keys

7.1 are obtained by violence or threats of violence to any person

7.2 are used by the keyholder or some other person with the collusion of the keyholder and the insured can prove to the satisfaction of the company that the keyholder or such other person had used the keys to open the safe or strongroom;

Specific exceptions 4 (Money in unlocked safe), 5 (Money not in locked safe), 6 (Money in vehicle) and 7 (Use of keys) do not apply up to the amount stated in the schedule and such losses shall not be reduced by any first amount payable.

Specific warranty

It is hereby warranted that the transport of money to and from the bank is made as follows:

- 1 up to R10 000 by one responsible person,
- 2 between R10 001 and R30 000, by two responsible persons
- 3 over R30 000, by an approved professional security company.

It is further warranted that the transit of money between the insured's premises and the bank will be uninterrupted. This does not apply where money is transported by an approved professional security company.

Clauses, extensions and limitations

1 Locks and keys extension

In addition to any payment in respect of a defined event, the company will indemnify the insured in respect of the cost of replacing locks and keys to any receptacle at the insured premises following upon the disappearance of any key to such receptacle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key provided that

- 1.1 the company's liability shall not exceed the amount stated in the schedule in respect of any one event
- 1.2 the company shall not be liable for the first amount payable of each and every event as stated in the schedule.

2 Personal accident (assault) extension (if stated in the schedule 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, trustee 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

- 2.1 death _____ **the capital sum**
- 2.2 permanent disability _____ **the percentage of the capital sum specified**
Percentage of
capital sum



2.2.1	loss by physical separation at or above the wrist or ankle of one or more limbs _____	100
2.2.2	permanent and total loss of	
2.2.2.1	whole eye _____	100
2.2.2.2	sight of eye _____	100
2.2.2.3	sight of eye except perception of light _____	75
2.2.3	permanent and total loss of hearing	
2.2.3.1	both ears _____	100
2.2.3.2	one ear _____	25
2.2.4	permanent and total loss of speech _____	100
2.2.5	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
2.2.6	loss of four fingers _____	70
2.2.7	loss of thumb (one or both phalanges) _____	25
2.2.8	loss of index finger (one, two or three phalanges) _____	10
2.2.9	loss of any other finger (one, two or three phalanges) – each finger _____	6
2.2.10	loss of metacarpals - first, second, third, fourth or fifth (additional) _____	5
2.2.11	loss of toes	
2.2.11.1	all on one foot _____	30
2.2.11.2	great, one or both phalanges _____	5
2.2.11.3	other than great, if more than one toe lost, each _____	5

Memoranda (applicable to permanent disablement benefits)

- 1 Where the injury is not specified the company will pay such sum as in its opinion is consistent with the above provisions
 - 2 Permanent total loss of use of part of the body shall be considered as loss of such part
 - 3 100 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
- 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
- 2.4 the reasonable expenses incurred, up to the sum specified in the schedule, shall be payable in respect of medical, surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) incurred within 24 months of the defined event
- provided that
- 2.1 the company shall not be liable to pay in respect of any one such person more than the capital sum plus the sums specified under items 2.3 and 2.4;
 - 2.2 the sum specified under item 2.3 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;
 - 2.3 compensation payable under item 2.4 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;
 - 2.4 this extension shall not apply to any such person under 15 or over 70 years of age;
 - 2.5 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;



2.6 general conditions 12 (Other insurance) and 14 (Reinstatement of cover after loss) do not apply to this extension;

2.7 in respect of this extension only general exception 7 (War, riot and terrorism) 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

2.1 Disappearance extension

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.

2.2 Exposure extension

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

3 Receptacles and clothing extension

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 and receptacles shall not exceed the amount stated in the schedule.

4 Riot and strike (excluding loss or damage occurring in the Republic of South Africa and Namibia) 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

4.1 civil commotion, labour disturbances, riot, strike or lockout;

4.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with, any occurrence referred to in 4.1 above;

provided that this extension does not cover

4.1 loss or damage occurring in the Republic of South Africa and Namibia;

4.2 consequential or indirect loss or damage of any kind or description whatsoever;

4.3 loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;

4.4 loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;

4.5 loss or damage related to or caused by any occurrence referred to in general exception 7.1.2, 7.1.3, 7.1.4, 7.1.5, 7.1.6 or 7.1.7 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 4.1, 4.2, 4.3, 4.4 or 4.5, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

5 Skeleton keys extension

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.



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 the first amount payable as stated in the schedule unless:

1 Cheques drawn by the insured

1.1 the cheque has been drawn and crossed exactly in accordance with the undermentioned "Recommended procedure for drawing and crossing of cheques" or any other superior method approved by the company and the printed portion of the cheque (as opposed to the written or typed portion) has been printed by the bank itself or a printer licensed to print cheques by the Automatic Clearing Bureau

or

1.2 the cheque has been dispatched to the payee by certified post or any post where the security is equal or superior to certified post

2 Cheques drawn by someone other than the insured and which were received by the insured by post or directly by the cashier

2.1 such cheque has been crossed and marked "not negotiable" and marked "not transferable" immediately on receipt thereof by the insured and

2.2 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

3.1 the cheque has been drawn and crossed exactly in accordance with the undermentioned "Recommended procedure for drawing and crossing of cheques" or any other superior method approved by the company

or

3.2 the cheque was dispatched to the insured by certified post or any post where security is equal or superior to certified post.

or

3.3 the invoice of the insured (to which the payment by cheque relates) contains a message (approved by the company) recommending or requiring that the cheque be drawn in accordance with the undermentioned "Recommended procedure for drawing and crossing of cheques".

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

1 Drawing and crossing of cheques

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

1.1 Delete the pre-printed words "or bearer". This limits the possibility of the drawee bank paying out to a bearer who might not be entitled to payment.

1.2 If instead of "or bearer" your cheque has pre-printed on it "or order" these words must also be deleted.

1.3 Write on the face of the cheque the words "not transferable".

1.4 Cross the cheque by drawing two parallel lines across the cheque.

1.5 Write the words "not negotiable" between the two parallel lines referred to in 1.4 above.

1.6 Ensure that the payee is accurately, properly and fully described. For example where the payee is a company, its full name should be used: RH Jones (Pty) Ltd not just RH Jones

Where the bank account number or CC number of the payee is known this should be included after the name of the payee, for example, "RH Jones (Pty) Ltd, Co no: 69/123456" or "RH Jones (Pty) Ltd ABC Bank account no: 123456789".

Whilst highly recommended it is not compulsory to use the bank account number of the payee.



- 1.7 In drawing the cheque no spaces should be left which would allow anyone to add extra words or figures.
- 1.8 An example of this method of drawing a cheque is attached as Annexure A.
- 1.9 On the front of the cheque the wording listed in Annexure B (last page of this section) should be printed. Please ensure that space is left on the rear of the cheque for bank stamps and endorsements.
- 1.10 All the markings on a cheque should be legible and clearly visible. Persons drawing cheques should not use abbreviated or different versions of the terminology used in the example. The words "not neg" and a crossing using a rubber stamp containing a rectangle rather than two parallel lines are worthless.
- 1.11 The method used to complete cheques should be one which makes an ink impression on the paper, like handwriting, a typewriter or a dot matrix printer. The ribbon used on the printer/typewriter should be of the type which impregnates the paper with ink. Do not use:
 - 1.11.1 old ribbons
 - 1.11.2 laser printers which do not make an impression into the paper
 - 1.11.3 the "reverse printing technique"
 - 1.11.4 correctable type ribbons.

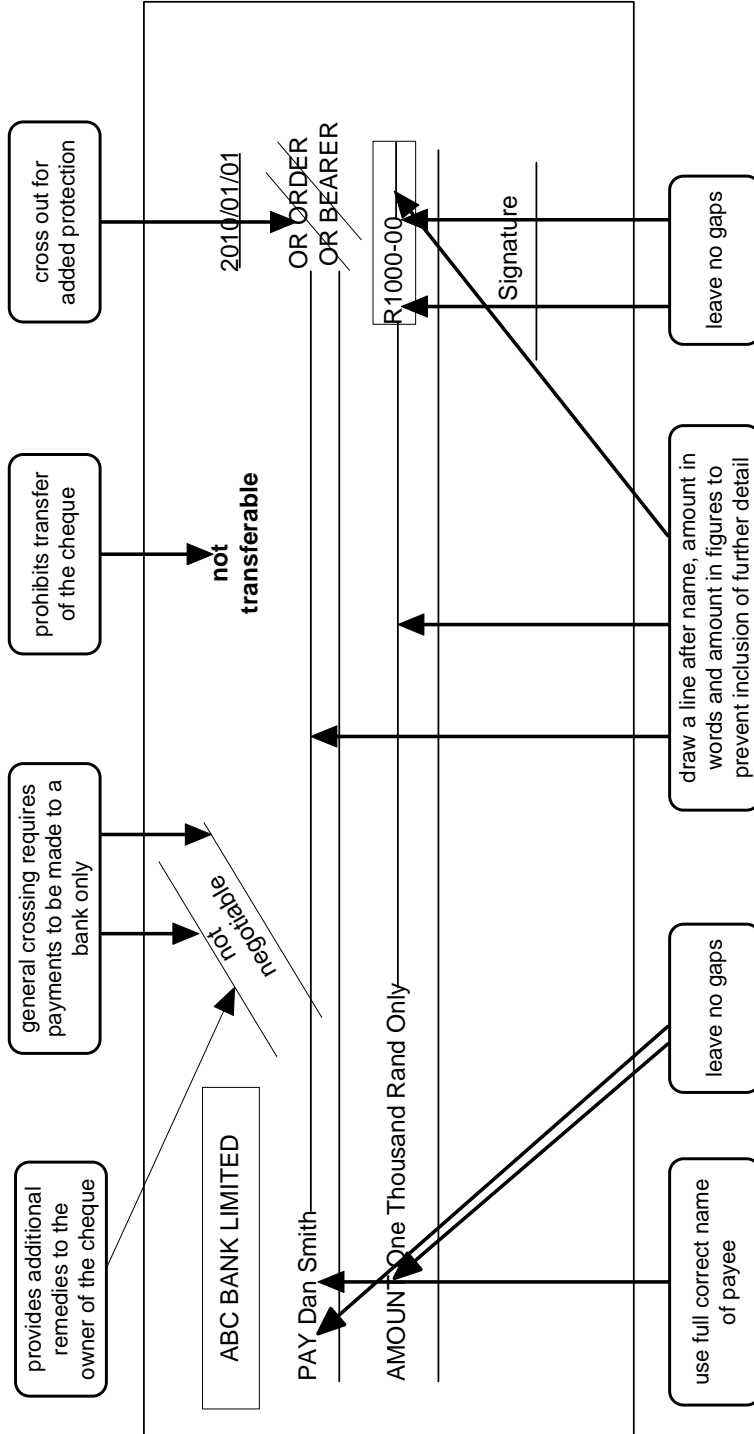
2 Printing of blank cheques

Blank cheques should only be printed by the Bank itself or a printer licensed by the Automatic Clearing Bureau. These printers know the recommended requirements of banks and should only use approved:

- 2.1 security paper (CBS1 or superior)
- 2.2 security designs
- 2.3 special security inks compatible with the security paper/design
- 2.4 methods which make it difficult for anyone to make a supply of blank cheques by photocopying the originals.



ANNEXURE A - RECOMMENDED CHEQUE



ANNEXURE B - RECOMMENDED CHEQUE

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

WARNING

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"



SECTION 08 FIDELITY GUARANTEE

Defined events

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

provided that

- 1 the company is not liable for all losses which occurred more than 24 months prior to discovery;
- 2 all losses are discovered not later than 12 months after the termination of:
 - 2.1 this section, or
 - 2.2 this section in respect of any insured employee or trustee concerned in a loss, or
 - 2.3 the employment of the insured employee or trustee or the last of the insured employees or trustees concerned in a losswhichever occurs first;
- 3 **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 trustee or any number of employees or trustees acting in collusion or independently of each other;
- 4 **Named or position basis** - the liability of the company for all losses involving any employee shall not exceed the sum insured stated opposite his/her name in the schedule or, if he/she is unnamed, the sum insured stated opposite the position held by him/her in the business as stated in the schedule;
- 5 renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing the liability of the company beyond the sum insured stated in the schedule. If the period of insurance is less than 12 months the company's liability is limited to the sum stated in the schedule during any 12-month period of insurance calculated from inception or renewal;
- 6 the term "dishonest personal financial gain" shall not include gain by an employee or trustee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.
- 7 the amount payable during any one period of 12 consecutive months from inception or anniversary date shall not exceed the sum insured stated in the schedule at the said inception or anniversary date as the case may be (or double the sum insured if the "Reduction/Reinstatement of the insured amount clause" applies). If the sum insured is increased the 12 consecutive months applies from the anniversary date. Any reinstatement between the date of increase and the anniversary date shall not exceed twice the sum insured

Specific conditions

1 General exceptions and conditions

General exceptions 5 (Nuclear weapons and radiation) and 7 (War, riot and terrorism) and general condition 14 (Reinstatement of cover after loss) do not apply to this section.

2 Non-disclosure

Non-disclosure of his own fraud or dishonesty or that of others with whom he is in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section.

3 Recoveries by the insured

If the insured shall sustain any loss to which this section applies which exceeds the amount payable hereunder in respect of such loss, the insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or effected by the company or for the amount of



any first amount payable) by whomsoever made on account of such loss until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the company.

4 Reporting to police

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 3.1.2 of general condition 3 (Claims), refrain from reporting the matter to the police but shall do so immediately should the company or legislation of the relevant country require such action to be taken.

5 Sum insured increase

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.

6 Systems of check and control

The insured shall institute and/or maintain and continue to employ in every material manner all such systems of check and control, accounting and clerical procedures and methods of conducting his business as has been represented to the company but the insured may:

- 6.1 change the remuneration and conditions of service of any employee or trustee;
- 6.2 in respect of any employee or trustee who is described in the schedule by name, change his/her duties and position;
- 6.3 in respect of any employee or trustee who is described in the schedule only by the position held by him/her, remove such employee or trustee and place in his/her position any other person who falls within the definition of employee or trustee;
- 6.4 make such other changes as are approved beforehand in writing by the insured's auditors.

Specific exceptions

1 Acquisitions

This section does not cover any company or other legal entity acquired during the period of insurance.

2 Consequential loss

The company shall not be liable for any consequential losses of any kind following losses referred to under defined events.

3 Compulsory first amount payable

The company shall not be liable for the compulsory first amount payable.

4 Losses after insured becomes aware of fraud

The company shall not be liable for loss resulting from or contributed to by any defined event by any trustee or employee from the time the insured shall become aware that such trustee or employee has committed any fraud or dishonesty.

5 Manipulation of data

The company shall not be liable for any defined event if it results from the dishonest

- 5.1 manipulation of
- 5.2 input into
- 5.3 suppression of input into
- 5.4 destruction of
- 5.5 alteration of

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

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



Clauses, extensions and limitations

1 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.

2 Compulsory first amount payable clause

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

3 Computer losses first amount payable clause

The percentage shown in clause 2 (Compulsory first amount payable clause) is increased from 10% to 20% if the defined event results from the dishonest

- 3.1 manipulation of
- 3.2 input into
- 3.3 suppression of input into
- 3.4 destruction of
- 3.5 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.

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

The insured having completed a satisfactory questionnaire, specific exception 5 (Manipulation of data) and the clause 3 (Computer losses first amount payable clause) are deleted.

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

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

6 Extended cover for past insured employees / trustees extension

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

7 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)

- 7.1 In consideration of the payment of an additional premium, Proviso 1 of the defined events is restated to read:
 - 1 the company is not liable for all losses which occurred more than 36 months prior to discovery.
- 7.2 If this section includes extension 13 (Superseded insurances extension (if stated in the schedule to be included)), the period referred to in proviso 13.6 thereof is increased from 24 months to 36 months.

8 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



- 8.1 control
- 8.2 fraud dishonesty and theft detection

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

- 8.3 proviso 1 of the defined events (which limits cover to that part of losses discovered within 24 months) and proviso 13.6 of extension 13 (Superseded insurances extension (if stated in the schedule to be included)) (if applicable) are deleted
- 8.4 if any defined event is discovered more than 12 months after it was committed, the percentages contained in the undernoted first amount payable clauses are increased as follows:

First amount payable clause	First amount payable increased to percentage shown below if losses discovered more than 12 months after being committed
Compulsory	From 10% to 12.5%
Computer losses	From 20% to 25%

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

- 8.5 clause 9 (First amount payable for losses discovered more than 12 months after they were committed) is deleted.

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

If any loss is discovered more than 12 months after:

- 9.1 it was committed
- 9.2 the first event in a series of events committed by one person or a number of persons acting in collusion

the percentages contained in clauses 2 (Compulsory first amount payable clause) and 3 (Computer losses first amount payable clause) are increased as follows:

First amount payable clause	First amount payable increased to percentage shown below	
	If losses are discovered more than 12 months after being committed but not more than 24 months thereafter	If policy has been extended to cover that part of losses discovered more than 24 months after being committed but not more than 36 months thereafter
Compulsory	From 10% to 15%	From 10% to 20%
Computer losses	From 20% to 30%	From 20% to 35%

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

10 Other insurances clause

It is a condition of this section that other than

- 10.1 a money policy;
- 10.2 a policy declared to the company at inception or renewal or at the time a claim is submitted;
- 10.3 this policy;

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

11 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 trustee or any number of employees or trustees shall not reduce the company's liability in respect of the remaining insured employees or trustees provided that:



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

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

Where the period of insurance is:

- 11.2.1 monthly, the words "Annual premium" are amended to read "Twelve times the monthly premium"
- 11.2.2 quarterly, the words "Annual premium" are amended to read "Four times the quarterly premium"
- 11.2.3 half-yearly, the words "Annual premium" are amended to read "Twice the bi-annual premium"

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.

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

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

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

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

- 13.1 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;
- 13.2 the losses are discovered within the shorter period of 12 months of the termination of the employment of the employee concerned or within 12 months of the expiry of this section;
- 13.3 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;
- 13.4 in the event of the loss involving one employee or trustee or any number of employees or trustees 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;
- 13.5 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;
- 13.6 the company is not liable for any loss which occurred more than 24 months prior to discovery.

14 Voluntary excess clause (if stated in the schedule to be included)

In addition to the amount payable by the insured under clause 2 (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.



SECTION 09 BROADFORM PUBLIC LIABILITY

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Damage

damage shall mean

loss of possession or control of or actual damage to tangible property or interference with servitude or right of access or other infringement of real or personal rights to the use of property

2 Injury

injury shall mean

death, bodily injury, illness or disease, mental injury of or to any person

3 Negligent advice

negligent advice shall mean

incorrect or inadequate advice or information of a technical nature given in the promotion of the insured's products or services but not where such advice or information:

3.1 is given in exchange for a fee or similar consideration, or

3.2 is an essential part of a revenue earning activity of the insured.

4 Product

product shall mean

any tangible property after it has left the custody or control of the insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the insured, but shall not mean food and drink supplied by or on behalf of the insured primarily to the insured's employees as a staff benefit.

5 Pollution

pollution shall mean

the emission, discharge, dispersal, disposal, seepage, release or escape of any liquid, solid, gaseous or thermal irritant, contaminant or pollutant into or upon land, the atmosphere or any water-course or body of water or the generation of smells, noises, vibrations, light, electricity, radiation, changes in temperature or any other sensory phenomena, but not fire or explosion

6 Vehicle

vehicle shall mean

any land vehicle or trailer (including any machinery or apparatus attached thereto) whether or not subject to vehicle registration or whether or not self-propelled including locomotives and rolling stock.

Defined events

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

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



Indemnity limits

The company's total liability to pay compensation, claimants' costs, fees and expenses and defence costs shall not exceed the indemnity limits stated in the schedule. The indemnity limit shall be the maximum amount of the company's liability in respect of all claims arising out of one original cause. Where the indemnity limit is stated to be "in the annual aggregate" the company's liability for all claims arising in any one (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date) shall be limited to the stated amount irrespective of the number of events giving rise to such claims.

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

Sub-section A - Public liability

1 Sub-section A - Indemnity

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

- 1.1 pollution
- 1.2 any product
- 1.3 negligent advice.

2 Sub-section A - Exceptions

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

2.1 Aircraft, watercraft or hovercraft

the ownership possession or use by or on behalf of the insured of any aircraft watercraft or hovercraft (other than watercraft not exceeding five metres in length and then only whilst on inland waterways)

2.2 Airports, airstrips or helicopter pads

the ownership, hire, leasing or operation of any airport, airstrip or helicopter pad by or on behalf of the insured other than airstrips and helicopter pads which are not equipped with control tower operation.

2.3 Legislation controlling the possession or use of motor vehicles

liability which is the subject of statutory or similar legislation controlling the possession or use of motor vehicles or trailers and in respect of which liability:-

- 2.3.1 the insured is compelled to effect insurance or otherwise furnish security, or
- 2.3.2 the state or other governmental authority has accepted responsibility

2.4 Property owned by the insured or in their custody or control

damage to property owned leased or hired by or under hire purchase or on loan to the insured or otherwise in the insured's care, custody or control other than:

- 2.4.1 premises (or the contents thereof) temporarily occupied by the insured for work therein or other property temporarily in the insured's possession for work thereon (but no indemnity is granted for damage to the part of the property on which the insured is working and which arises out of such work)
- 2.4.2 employees' and visitors' clothing and personal effects
- 2.4.3 premises tenanted by the insured to the extent that the insured would be held liable in the absence of any specific agreement
- 2.4.4 property belonging to any rail service provider or any government or quasi government department, provincial administration, municipality or similar body whilst on any premises permanently occupied by the insured

2.5 Vehicles

the ownership possession or use by or on behalf of the insured of any vehicle, other than claims:



- 2.5.1 caused by the use of:
 - 2.5.1.1 any tool or plant forming part of or attached to or used in connection with any vehicle
 - 2.5.1.2 any vehicle as a tool of trade
 - 2.5.1.3 a trailer which is not attached to nor has accidentally become detached from a motor vehicle
- 2.5.2 arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any vehicle
- 2.5.3 for damage to any bridge, weighbridge, road or anything beneath caused by the weight of any vehicle or of the load carried thereon
- 2.5.4 arising out of any vehicle temporarily in the insured's custody or control for the purpose of parking
- 2.5.5 arising out of the possession or use by the insured of any vehicle belonging to any rail service provider or any government or quasi government department, provincial administration, municipality or similar body whilst on any premises permanently occupied by the insured
- 2.5.6 which form the subject of extensions covering employers liability
- 2.5.7 arising out of damage to premises occupied (but not owned) by the insured

Sub-section B - Pollution liability

1 Sub-section B - Indemnity

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

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

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

2 Sub-section B - Exceptions

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

Sub-section C - Products liability / defective workmanship

1 Sub-section C - Indemnity

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

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



2 Sub-section C - Exceptions

This sub-section does not cover liability for claims:

2.1 Aircraft

arising

2.1.1 out of any product which with the insured's knowledge is intended for incorporation into the structure, machinery or controls of any aircraft

2.1.2 from any work on any aircraft or part thereof.

2.2 Failure to fulfil intended function

arising out of the failure of any product or part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed unless such failure shall result in injury and/or damage

2.3 Handing over

arising prior to the handing over of such work

2.4 Inefficacy

arising from inefficacy of such work or because the work did not produce the result anticipated or claimed

2.5 Negligent advice

arising out of negligent advice in respect of defective workmanship

2.6 Product recall

for costs arising out of the recall of any product of any part thereof

2.7 Rectifying defective work

for the cost of rectifying or recalling defective work

2.8 Repair

for costs incurred in the repair, reconditioning, modification or replacement of any product or part thereof which is or is alleged to be defective

Sub-section D - Negligent advice

1 Sub-section D - Indemnity

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

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

2 Sub-section D - Exceptions

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

2.1 Defamation

defamation or injuria.

2.2 Financial services

financial services and/or cost estimates given by or on behalf of the insured

2.3 Insolvency

the insolvency of the insured

2.4 Products liability not insured

negligent advice given in respect of any product unless the insured shall have effected cover under sub-section C of this section

Specific conditions

(Specific conditions 1 (Admission, offer, promise or payment), 2 (Claims reporting), 3 (Extended claims reporting), 5 (Material change) and 6 (Payment of limit) are precedent to the company's liability to provide indemnity under this section)



1 Admission, offer, promise or payment

No admission offer promise or payment shall be made or given by or on behalf of the insured without the written consent of the company which shall be entitled to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute in the name of the insured for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the insured shall give all such information and assistance as the company may reasonably require.

2 Claims reporting

The insured shall give written notice to the company as set out in general condition 3 (Claims), but in any event no later than the last day of the period of insurance, of any claim made against the insured (or any specific event or circumstance that may give rise to a claim being made against the insured) and which forms the subject of indemnity under this section and shall give all such additional information as the company may require. Every claim, writ, summons or process and all documents relating to the claim event or circumstance shall be forwarded to the company immediately they are received by the insured.

3 Extended claims reporting

Notwithstanding specific condition 2 (Claims reporting), in the event of cancellation or non-renewal of the section, the insured may report an event in terms of general condition 3 (Claims) to the company for up to 15 days after cancellation or non-renewal, provided

- 3.1 such event occurred subsequent to the retroactive date and prior to the termination of the period of insurance
- 3.2 any subsequent claim first made in writing against the insured as a result of such event shall be treated as if it has first been made on the last day preceding cancellation or non-renewal
- 3.3 no insurance in substitution hereof has been purchased by or on behalf of the insured.

4 Interpretation

The interpretation of the terms and exceptions of this section (and any phrase or word contained therein) shall be interpreted in accordance with the law of the Republic of South Africa.

5 Material change

The insured shall give notice as soon as reasonably practicable of any fact, event or circumstance which materially changes the information supplied to the company at the time when this section was effected, and the company may amend the terms of this section according to the materiality of such change.

6 Payment of limit

The company may at any time pay to the insured in connection with any claim or series of claims under this section to which a limit of indemnity applies the amount of such limit (after deduction of any sums already paid) or any lesser amount for which such claims can be settled and upon such payment being made the company shall relinquish the conduct and control of and be under no further liability in connection with such claims.

7 Provisional premium

Where the premium is provisionally based on the insured's estimates, the insured shall keep accurate records and after expiry of the period of insurance declare as soon as possible such details as the company require. The premium shall then be adjusted and any difference paid by or allowed to the insured as the case may be subject to any minimum premium that may apply.

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

This section does not cover liability:

1 Contract of employment

arising out of injury to any persons under a contract of employment or apprenticeship with the insured where such injury arises out of the execution of such contract except to the extent and where the insured has elected to purchase employers liability

2 Deliberate disregard

arising out of the deliberate, conscious or intentional disregard by the insured's technical or administrative management of the need to take all reasonable steps to prevent claims



3 Design, formula etc.

for any claims arising out of any design, formula (other than design or formula of a product), specification or advice of a professional nature given by or on behalf of the insured in exchange for a fee.

4 First amount payable

for the applicable first amount payable in respect of each claim or series of claims arising out of one originating cause. The provisions of this exception shall apply to claims arising from damage only and shall also apply to defence costs incurred by the insured.

5 Liquidated damages

arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that it can be proved that liability would have attached in the absence of such clauses or warranties

6 Magnetic or electrical fields

for claims arising out of or which may arise out of or in connection with magnetic and/or electrical fields.

7 Other insurances

which forms the subject of insurance by any other policy or policies and this section shall not be drawn into contribution with such other insurance

8 Prior to inception

for any claims where the insured was aware, before inception of this section, of the circumstances or event which gave rise to the claim

9 Retroactive date

occurring prior to the applicable retroactive date stated in the schedule

10 Specific insurances

for claims arising out of dishonesty of the directors, principals or employees of the insured or theft or fraud by any other person, nor does this section provide indemnity for any liability arising out of the activities of operations domiciled in the United States of America or Canada.

11 War and terrorism

In respect of this section only, general exception 7 (War, riot and terrorism) is deleted and replaced by the following:

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

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

11.2 any act of terrorism,

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

This specific exception also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 11.1 and/or 11.2 above.

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

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

12 Wrongful act

arising out of any wrongful act committed by any director and/or officer of the insured



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

Clauses, extensions and limitations

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

1 Acquisitions and new business

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

Provided always that:-

- 1.1 the retroactive date in respect of such new company shall be deemed to be the date of formation or the date when a newly acquired company first purchased liability insurance of the type hereby insured on a "claims made" basis subject to a declaration from the newly acquired company's previous management of no known or reported claims or circumstances likely to give rise to a claim at date of acquisition. In the event of no such declaration the retroactive date shall be the date of acquisition
- 1.2 the insured's business activity remains unchanged to that declared
- 1.3 the annual turnover of all newly formed and/or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the insured as advised to the company at Inception hereof
- 1.4 the insured shall advise the company of such formations and/or acquisitions before the expiry of 30 days thereof and the company reserve the right to amend the terms of this insurance accordingly.

2 African territories extension

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

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

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

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

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

3 Continuous exposure clause

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



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

4 Cross liabilities clause

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

5 Defamation extension (if stated in the schedule to be included)

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

Provided always that:-

- 5.1 no indemnity shall be granted in respect of claims:
 - 5.1.1 which form the subject of the wrongful arrest extension
 - 5.1.2 arising out of any publication in any journal, magazine or newspaper or on radio or television
- 5.2 the amount payable under this extension, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with the company's consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date), shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

6 Defence costs clause

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

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

7 Employer's liability extension (if stated in the schedule to be included)

Notwithstanding 'anything to the contrary contained in specific exception 1 (Contract of employment), this section extends to include the insured's legal liability for claims arising out of injury to any person employed under a contract of service or apprenticeship with the insured where such injury arises out of and in the course of the execution of such contract

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

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

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

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



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

8 Extended reporting option extension (may be exercised by the insured in the event of non-renewal)

In the event of non-renewal of this section, at the option of the insured, any claim first made against the insured arising from any claim or circumstance of which notice is required to be given in terms of specific condition 2 (Claims reporting), the company agrees that notice given within 36 months (hereinafter referred to as the extended reporting period) immediately following the expiry of this insurance shall be deemed to have been made on the last day preceding the expiry.

Provided that:

- 8.1 this option may only be exercised in the event of the company cancelling or refusing to renew this section;
- 8.2 the insured has not obtained insurance equal in scope and cover to this section as expiring providing indemnity in respect of such claim;
- 8.3 the company shall only be liable for an insured event which occurred after the retroactive date but prior to the expiry of the period of insurance;
- 8.4 if the claimant is a minor this extended reporting period will continue until the expiry of 12 months after the attainment of majority by the claimant;
- 8.5 the total amount payable by the company for claims made or reported events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable on the last day preceding the non-renewal;
- 8.6 this option must be exercised by the insured in writing within 112 days of cancellation or non-renewal and the required premium paid within 30 days of demand;
- 8.7 once exercised, the option cannot be cancelled by either the insured or the company.

9 Indemnity to others extension

The indemnity granted extends to:

- 9.1 any party who enters into an agreement with the insured for any purpose of the business, but only to the extent required by such agreement to grant such indemnity and subject to sub-section A - exception 2.4.3 (premises tenanted by the insured) and specific exception 5 (Liquidated damages)
- 9.2 officials of the insured in their business capacity arising out of the performance of the business or in their private capacity arising out of their temporary engagement of the insured's employees
- 9.3 the officers, committee and members of the insured's canteen, social, sports, medical, firefighting and welfare organisation in their respective capacities as such
- 9.4 any visiting sports team or member thereof in respect of the activities of any sports club formed by the insured for the benefit of their employees
- 9.5 the personal representatives of the estate of any person who would otherwise be indemnified by this section, but only in respect of liability incurred by such person

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

10 Notification extension clause

Should the insured notify the company during the period of insurance in accordance with specific condition 2 (Claims reporting) of any specific event or circumstances which the company accepts may give rise to a claim or claims which form the subject of indemnity by this section, then acceptance of such notification means that the company will deal with such claim or claims which may later arise as if they had first been made against the insured during the period of insurance.



11 Statutory defence costs extension (if stated in the schedule to be included)

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

Provided always that:-

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

12 Wrongful arrest extension (if stated in the schedule to be included)

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

Provided always that:-

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



SECTION 10 TRUSTEES INDEMNITY

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Claim

claim shall mean

- 1.1 a written or verbal allegation of any wrongful act communicated to the trustees and/or body corporate or
- 1.2 a civil proceeding commenced by issue of summons, statement of claim or any valid legal proceeding instituted against the trustees and/or body corporate alleging any wrongful act or
- 1.3 a criminal proceeding commenced by summons or charge against the trustees and/or body corporate alleging any wrongful act.

2 Wrongful act

wrongful act shall mean

any actual or alleged breach of trust, breach of duty, neglect, error, misstatement, misleading statement, omission or other act wrongfully committed or attempted by a trustee which arises solely by reason of his acting in his capacity as trustee of the body corporate

Where any such wrongful act results in more than one claim all such claims will jointly constitute one loss and be deemed to have originated in the earliest policy year in which any of such wrongful acts is first reported to the company.

Defined events

All sums that the body corporate and/or trustee(s) shall become legally liable to pay arising out of any wrongful act of a trustee, by the actual or alleged breach of trust, breach of duty, neglect, error, misstatement, misleading statement, omission or other act wrongfully committed or attempted by a trustee on or after the retroactive date reflected in the schedule and which results in a claim or claims first being made against the insured in writing during the period of insurance, in the course of acting in his capacity as trustee of the body corporate.

The limit of indemnity

The maximum amount payable under this section is limited to the amount stated in the schedule for any one event or series of events and in all in any one (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date). Such amount shall include the amount payable in respect of a claim made against the trustee(s) and/or body corporate for an illegal or fraudulent act and will include damages, judgments, settlements, order for costs as well as costs for charges and expenses incurred by the company or with their consent in the investigation, defence, monitoring or settlement of any claim.

Specific conditions

1 Cancellation or non-renewal

In the event of cancellation or non-renewal of this section

- 1.1 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



- 1.2 the insured may report an event in terms of general condition 3 (Claims) to the company for up to 15 days after cancellation or non-renewal, provided
 - 1.2.1 such event occurred during the period of insurance
 - 1.2.2 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 1.1 above

2 Reported event

Any claim first made in writing against the insured as a result of a defined event reported in terms of general condition 3 (Claims) (hereinafter termed reported event) shall be treated as if it had been first made against the insured on the same day as the insured reported the event to the company.

3 Series of claims

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 shall be treated as if they all had been made against the insured

- 3.1 on the date that the event was reported by the insured in terms of general condition 3 (Claims) or
- 3.2 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.

Specific exceptions

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

1 Cancellation or non-renewal

any claim (in the event of cancellation or non-renewal of this extension) 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 1 (Cancellation or non-renewal).

2 Conflict of duties

a conflict of duty or interest of any trustee(s)

3 Circumstances not arising out of advice or omission to perform a trustee duty

death, disease or illness of or bodily injury to any person other than an employee of the body corporate or loss of or damage to property, unless arising out of advice or omission to perform a trustee duty

4 Defamation

loss or liability arising out of a publication or utterance of libel and slander or other defamatory or disparaging material

5 Employee

death, disease or illness of or bodily injury to any employee of the body corporate arising out of or in the course of such employment

6 Fines and penalties

finer, penalties, punitive, exemplary or vindictive damages

7 First amount payable

any first amount payable stated in the schedule

8 Illegal or fraudulent acts

any trustee(s) committing any illegal or fraudulent act, provided that this exception shall not apply to any innocent party affected by such act(s)

9 Intentional exercise of the power of the trustee

any intentional exercise of the power of the trustee(s) for the purpose other than the purpose for which such powers were conferred by the management rules of the body corporate



10 Jurisdiction

- 10.1 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
- 10.2 costs and expenses of litigation recovered by a claimant from the insured which are not incurred in and recoverable in the area described in 10.1 above

11 Known events and circumstances

- 11.1 any claim arising from an event known to the insured prior to inception of this section
- 11.2 any claim arising from an event known to the insured which is not reported to the company in terms of general condition 3 (Claims)
- 11.3 the consequences of any circumstance known to the insured at inception of this section and which might reasonably be expected to produce a claim, unless declared in advance by the insured and accepted by the company

12 Other insurance

any indemnity claimable or claimed in terms of any other insurance or otherwise more specifically insured or excluded by any section of this policy

13 Personal profit

any trustee(s) gaining or having gained any personal profit or advantage to which they were not legally entitled or for which they may be held accountable to the body corporate or any individual member thereof

14 Remuneration

any remuneration or other monies for which the body corporate or trustee(s) are legally liable

15 Unauthorised monies

monies or gratuity given to any trustee(s) without authorisation by the body corporate where such authorisation is necessary pursuant to the management rules of the body corporate or prescribed law

16 VAT

any liability for the payment of VAT



SECTION 12 MACHINERY BREAKDOWN

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Machinery

machinery shall mean

motors, motor generating sets, gearboxes, braking equipment, drums and all associated equipment and controlling switchgear in lift rooms and lift shafts, boilers, air-conditioning plant and standby generator sets forming part of the building insured at the premises stated in the schedule.

Defined events

Sudden and unforeseen physical damage to the insured machinery as defined.

Basis of settlement

1 Partial loss

The basis of settlement shall be the cost of restoring to working order based on the customary daily rates of wages in the district and normal freight erection and custom dues less

1.1 the value of any reusable parts

1.2 the cost of alterations, additions, improvements and other overhauls of the machinery carried out at the time of a repair.

2 Total Loss

The basis of settlement shall be the new replacement value immediately before the accident plus the costs of removing the damaged machinery less a reasonable allowance for use and value of the remains.

N.B. An insured item of machinery shall be regarded as totally destroyed if the cost of repairs equals or exceeds the new replacement value immediately before the accident less reasonable amount for use

The company may at its option repair or replace any damaged machinery or pay the amount of damage in cash.

3 Limitation

If the damage is restricted to a part or parts of the insured machinery, the company will not be liable for more than the value of such parts allowed for in the sum insured plus dismantling, re-erection and freight expenses.

Specific conditions

1 Access

The insured shall permit the company to inspect the machinery at any reasonable time. If, arising from such inspection any facts likely to increase the risk of damage are revealed the insured must take immediate steps to restore the machinery to normal. The company may give written notice to the insured suspending cover under this section until the insured advises the company that the risk has been restored to normal.

2 Alterations to working conditions

Notice of any alteration to or departure from normal working conditions which would affect the risk of damage must be given to the company as soon as possible. The company may either approve such changes or cancel the insurance under this section and, provided there has not been a claim during the current period of insurance, refund a proportionate part of the premium paid.



3 Average

If at the time of the damage the sum insured is lower than the installed new replacement value then the insured will be considered to be his own insurer for the difference and will bear a rateable share of the loss accordingly. Every item of machinery will be separately subject to this condition.

4 Claims

On the happening of an event giving rise or likely to give rise to a claim the insured

4.1 shall exercise all means in his power to salvage the insured items and ensure their preservation

4.2 may proceed with the repair of the machinery provided that

4.2.1 he complies with 4.1 above

4.2.2 the carrying out of the repair is without prejudice to any question of liability

4.2.3 any damaged part requiring replacement is kept for inspection by the company.

5 Insured value

The sum insured for each item of machinery specified in the schedule must be equal to the installed new replacement value at all times.

6 Maintenance of machinery

The insured shall take reasonable precautions to ensure that the machinery is maintained in good working order and neither habitually nor intentionally overloaded and that Government and other regulations relating to the operation of the machinery are observed.

7 Physical destruction or damage

No amount shall be payable hereunder except in the event of actual physical damage to or destruction of the insured property, notwithstanding that the insured property may have been deemed to have been destroyed in terms of the Sectional Titles Act No. 95 of 1986, or as amended or replaced, and the provisions thereof shall not apply in regard to the application or interpretation of this section.

8 Reinstatement of sum insured

In the event of the payment by the company of any sum or sums in discharge of the company's liability in terms of this insurance the sum insured shall automatically be reinstated for the remainder of the current period of insurance provided that the insured shall pay any additional premium required by the company calculated pro rata from the date the repaired item is again put to work.

Specific exceptions

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

1 Collapse

damage caused by the collapse of buildings or any movement of the land supporting the buildings

2 Expendable parts

damage to expendable parts or tools. If such parts or tools are damaged as a result of an accident as provided for in this section to other parts of the machinery insured the company will indemnify the insured for the residual value of such parts or tools

3 Experiments

damage resulting from experiments, overload or similar tests requiring the imposition of abnormal conditions or from the execution of repairs

4 First amount payable

the amount specified in the schedule as the first amount payable for each and every occurrence

5 Foundations

foundations masonry or refractories unless specifically mentioned

6 Maintenance contract

any damage to machinery which is not subject to a regular maintenance contract

7 Ordinary use

any damage caused or attributable to wastage by or naturally resulting from ordinary use, working or gradual deterioration



8 Other insurance

any damage for which an insurance is provided under any other contingency in this policy

9 Temporary repairs

temporary repairs and any consequences arising therefrom unless the company has authorised the temporary repairs



SECTION 13 ELECTRONIC EQUIPMENT

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Accident

accident shall mean

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

2 Indemnity period

indemnity period shall mean

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

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

3 Market value

market value shall mean

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

- 3.1 20% (twenty per cent) for the first year after the date of purchase
- and

- 3.2 10% (ten per cent) per year for each succeeding year

subject always to a minimum indemnity of 40% (forty per cent) of the current new replacement value of the nearest equivalent property.

4 New property insured

new property insured 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.



5 Territorial limits

territorial limits shall mean

- 5.1 in respect of property other than that described in 5.2 below, the Republic of South Africa, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland and Zimbabwe
- 5.2 in respect of laptops, notebooks, palmtop computers, smartphones and other portable computer equipment temporarily outside the territories referred to in 5.1 above, anywhere in the world

6 Unattended vehicle

unattended vehicle shall mean

any vehicle being used by the insured or any principal, partner, director or employee of the insured where such person is not in a position to keep the vehicle under constant observation and at the same time have a reasonable prospect of preventing any unauthorised interference with the vehicle

Defined events

1 Loss of or damage as provided for in sub-section A

2 Loss and/or expenditure as provided for in sub-section B

Sub-section A: Material damage

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

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

1 Sub-section A – Basis of indemnification

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

1.1 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

- 1.1.1 the value of damaged parts which can be used will be deducted
- 1.1.2 the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section
- 1.1.3 if, without the consent of the company, temporary repairs are carried out by the insured in the interests of safety or to minimize further loss or damage to the property insured, the cost of such temporary repairs will be borne by the company. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the property insured, any additional costs so incurred or consequence arising therefrom will be for the account of the insured
- 1.1.4 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.

1.2 Total loss

- 1.2.1 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



- 1.2.1.1 the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured, subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment exceeding the market value of the property insured immediately before the damage shall be made
- 1.2.1.2 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
- 1.2.1.3 these conditions shall be without force or effect if
 - 1.2.1.3.1 the insured fails to intimate to the company within six (6) months of the date upon which the damage occurred (or such further time as the company may in writing allow) his intention to replace or reinstate the property insured
 - 1.2.1.3.2 the insured is unable or unwilling to replace or reinstate the property insured on the same or another site
- 1.2.1.4 at the sole option of the company, following commercial and technical appraisal by a representative of the company, the period referred to in the definition of new property may be extended (on an annual basis from renewal date) subject always to such extension of period being admitted by memorandum to this section.
- 1.2.2 In respect of property insured not provided for in 1.2.1 above, the basis of indemnification shall be the market value of the property insured immediately before the loss or damage. At the option of the company, the property insured shall be regarded as totally destroyed if the repair costs as defined in 1.1 (Partial loss) above equal or exceed its market value immediately before the damage.

2 Sub-section A – Specific condition

Average

In respect of 1.1 (Partial loss) and 1.2 (Total loss) above, if at the time of repair, replacement or reinstatement, the sum representing the cost which would have been incurred in repair, replacement or reinstatement if the whole of the property insured had been lost or damaged exceeds the sum insured thereon at the time of any loss of or damage to such property, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.

3 Sub-section A – Specific exceptions

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

3.1 Cost of reproducing data

the cost of reproducing data and/or programs whether recorded on cards, tapes, disks or otherwise unless specifically provided for in sub-section B hereof

3.2 Derangement

derangement unless accompanied by physical damage otherwise covered by this section

3.3 Faults or defects

faults or defects known to the insured (or their responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to the company or any consequences thereof

3.4 First amount payable

the first amount payable as stated in the schedule in respect of sub-section A, of each and every event giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one event, the first amount payable shall be the highest single amount applicable to such property insured



3.5 Loss of use

loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein

3.6 Maintenance agreement

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

3.7 Parts having a short life

parts having a short life such as (but not limited to) bulbs, valves, contacts, X-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for by this sub-section to other parts of the property insured, the company shall indemnify the insured for the residual value prior to the loss of such exchangeable parts

3.8 Theft

3.8.1 loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry into or exit (or any attempt thereat) from that part of the building occupied by the insured at the insured premises described in the schedule or as a result of theft or any attempt thereat, following violence or threat of violence

3.8.2 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

3.9 Unattended vehicle

loss or damage resulting from or caused by theft from any unattended vehicle unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit.

If the insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence shall be deemed to satisfy the requirement for a completely closed and securely locked vehicle;

This exception will not apply to loss or damage which may occur as a result of an accident involving a road vehicle rendering any principal or employee or entrusted person incapable of retaining possession or control of the property on account of bodily injury sustained.

3.10 Wastage of material

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

Sub-section B: Consequential loss

1 Sub-section B – Basis of indemnification

1.1 Increased cost of working

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

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

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

1.1.1 the cover provided for in item 1.2 (Reinstatement of data/programs) of this sub-section

1.1.2 the intrinsic value (including reinstatement value) of the property insured by sub-section A of this section.



1.2 Reinstatement of data/programs

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

- 1.2.1 the indemnity shall not extend to nor include such costs incurred due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programs
- 1.2.2 in respect of each and every event or series of events arising out of or in connection with one original cause or source indemnifiable by this item, the insured shall bear the amount stated in the schedule as the excess
- 1.2.3 where the insured elects to insure programs (software), a schedule of such programs shall be lodged with the company at the commencement of each (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date).

2 Sub-section B – Specific exceptions

Unless specifically provided for, the company shall not be liable to indemnify the insured in respect of

2.1 Fines and penalties

finances or penalties for breach of contract for late or non-completion of orders or any penalties of whatsoever nature

2.2 Loss of profit

loss of profit or consequential loss of whatsoever nature unless specifically provided for herein.

Special exception (applicable to sub-sections A (Material damage) and B (Consequential loss))

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.

Clauses, extensions and limitations

1 Architects' and other professional fees extension to sub-section A (Material damage)

The company will in addition to the sums insured stated in the schedule pay for 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.

2 Capital additions and currency fluctuations extension

The indemnity by this section shall include

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

provided that the increase shall not exceed, by more than 25%, the total sum insured for sub-section A specified in the schedule, it being agreed that the insured will advise the company of such alterations



after the expiry of each period of insurance and pay the appropriate premium thereon but not exceeding 50% of the difference.

3 Clearance costs extension to sub-section A (Material damage)

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

4 Express delivery and overtime extension to sub-section A (Material damage)

The company will in addition to the sums insured stated in the schedule pay for 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.

5 Fire brigade charges extension to sub-section A (Material damage)

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

6 Hire purchase / finance agreements clause

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

7 Incompatibility cover extension to sub-sections A (Material damage) and B (Consequential loss) (if stated in the schedule to be included)

Notwithstanding anything to the contrary contained in this section, the indemnity by sub-sections A (Material damage) and B (Consequential loss) of this section shall indemnify the insured for costs incurred in respect of

- 7.1 modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system
- 7.2 replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system
- 7.3 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

- 7.1 the costs provided for in 7.1, 7.2 and 7.3 above shall be necessarily and reasonably incurred to maintain normal working conditions
- 7.2 such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-sections A (Material damage) or B (Consequential loss) (item 1.2 (Reinstatement of data/programs)) of this section
- 7.3 the cover afforded hereunder shall be restricted to
 - 7.3.1 parts or components of the electronic system which are not indemnifiable under sub-section A (Material damage) hereof
 - 7.3.2 programs or data reinstated not indemnifiable under item 1.2 (Reinstatement of data/programs) of sub-section B (Consequential loss) hereof;
- 7.4 the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to 20% of the applicable total sum insured under sub-section A (Material damage) and sub section B (Consequential loss) (item 1.2 (Reinstatement of data/programs)) with a maximum amount of R25 000.



8 Non-forcible and violent entry into vehicle extension to sub-section A (Material damage) (if stated in the schedule to be included)

Exception 3.9 (Unattended vehicle) shall not apply to goods contained in a completely closed and securely locked vehicle where the insured maintains that the vehicle was locked but no evidence of forcible and violent entry or exit from the vehicle exists, provided that:

- 8.1 the police case number is supplied to the company;
- 8.2 after the deduction of the excesses specified in the schedule, the liability of the company is further restricted to 50% of the claim with a maximum of R10 000.

9 Power surge or lightning strikes limitation to sub-section A (Material damage)

All loss or damage to the property insured by power surges or lightning strikes will be subject to the first amount payable as stated in the schedule. However, should the property insured be appropriately and adequately protected by suitable safeguards against electrical supply fluctuations, then this additional first amount payable will be waived.

10 Prevention of access extension to sub-section B (Consequential loss)

If, during the indemnity period, the business at the premises is interrupted or interfered with in consequence of the insured being prevented from having access to the property insured situated at the premises caused by damage to property within a 15km radius of the insured premises as described in the schedule by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or impact by vehicles, the company shall indemnify the insured for loss resulting from such interruption or interference in accordance with the provisions contained herein

provided that

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

11 Reinstatement limitation to sub-section B (Consequential loss)

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

- 11.1 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
- 11.2 additions, alterations or improvements being effected to the property insured on the occasion of its repair,

the company's liability under this section shall be related solely to the business interruption which would have arisen in the absence of 11.1 and 11.2.

12 Telkom access lines extension to sub-section B (Consequential loss) (if stated in the schedule to be included)

Subject to the limits specified in the schedule, consequential loss as provided for under 1.1 (Increased cost of working) and 1.2 (Reinstatement of data/programs) 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

- 12.1 The liability of the company shall not exceed the sum insured by this sub-section.
- 12.2 The indemnity period shall commence 12 hours after the failure and end not later than the 30 days stated after such failure.
- 12.3 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.

13 Tenants extension

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



SECTION 14 MOTOR

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Damage

damage shall mean
physical damage including physical loss

2 Injury

injury shall mean
bodily injury including death and illness

3 Occurrence

occurrence shall mean
an occurrence or series of occurrences arising from one cause in connection with any one vehicle in respect of which indemnity is provided by this insurance.

4 Property

property shall mean
tangible property

5 Territorial limits

territorial limits shall mean
Republic of South Africa, Angola (except for Cabinda), Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe

6 Vehicle

vehicle shall mean

- 6.1 private type motor cars (including motorised motor homes, station wagons, safari vans, estate cars and the like or similar vehicles designed to seat not more than 12 persons including the driver)
- 6.2 commercial vehicles and special type vehicles as described in the schedule
- 6.3 motor cycles (including motor scooters and motor tricycles)
- 6.4 buses (including any vehicle used for business purposes and designed to seat more than 12 persons, including the driver)
- 6.5 trailers, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle, but excluding any parts or accessories not permanently fitted thereto

any such vehicle being owned by or hired or leased to the insured, including any such vehicle temporarily operated by the insured as replacement for any vehicle out of use for the purpose of overhaul, upkeep and/or repair provided that the company's maximum liability shall not exceed the lesser of the market value of the replacement vehicle or the limit of indemnity of the replaced vehicle as stated in the schedule.

Sub-section A - Loss or damage

Defined events

Damage to any vehicle described in the schedule and its accessories and spare parts whilst thereon. In addition, if such vehicle is disabled by reasons of any damage insured hereby, the company will pay the reasonable cost of protection and removal to the nearest repairers and the insured may give instructions for



repairs to be executed without the prior consent of the company to the extent of but not exceeding R3 000, provided that a detailed estimate is first obtained and immediately forwarded to the company. The company will also pay the reasonable cost of delivery to the insured, after repair of such damage, not exceeding the reasonable cost of transport to the permanent address of the insured in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique

provided that

- 1 the limit of indemnity for each type of vehicle is as stated in the schedule and shall be the maximum amount payable by the company in respect of such damage, but shall not exceed the reasonable market value of the vehicle and its accessories and spare parts at the time of such damage
- 2 the company may, at its own option, repair, reinstate or replace such vehicle or any part thereof and/or its accessories and spare parts or may pay in cash the amount of the damage not exceeding the reasonable market value of such vehicle and/or its accessories and/or spare parts at the time of such damage
- 3 if, to the knowledge of the company, the vehicle is the subject of a suspensive sale or similar agreement, such payment shall be made to the owner described therein whose receipt shall be a full and final discharge to the company in respect of such damage
- 4 in respect of each and every occurrence giving rise to a claim (except a claim resulting from fire, lightning or explosion) under this sub-section, the insured shall be responsible for the first amounts payable stated in the schedule (according to the type of vehicle) of any expenditure (or any less expenditure which may be incurred) for which provision is made under this sub-section (including any payment in respect of costs, expenses and fees), and of any expenditure by the company in the exercise of any discretion it may have under this insurance.

If the expenditure incurred by the company shall include any first amount payable for which the insured is responsible, such amount shall be paid by the insured to the company forthwith

- 5 the company shall not be liable for more than the amount stated in the schedule (after deduction of the first amounts payable) in respect of the theft or attempted theft of radios, tapeplayers and similar equipment or telephones not supplied by the manufacturers of the vehicle when new.

Specific exceptions to sub-section A (Loss or damage)

The company shall not be liable to pay for

1 Consequential loss

consequential loss as a result of any cause whatsoever, depreciation in value whether arising from repairs following a defined event or otherwise, wear and tear, mechanical, electronic or electrical breakdowns, failures or breakages

2 Detention

detention, confiscation or requisition by customs or other officials or authorities;

3 Springs

damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities;

4 Tyres

damage to tyres by application of brakes or by road punctures, cuts or bursts.

Sub-section B Liability to third parties

Defined events

Any accident caused by or through or in connection with any vehicle described in the schedule or in connection with the loading and/or unloading of such vehicle in respect of which the insured and/or any passenger becomes legally liable to pay all sums including claimant's costs and expenses in respect of

- 1 injury to any person, but excluding injury to any person in the employ of the insured arising from and in the course of such employment or being a member of the same household as the insured
- 2 damage to property other than property belonging to the insured or held in trust by or in the custody or control of the insured or being conveyed by, loaded onto or unloaded from such vehicle.



Limits of indemnity

Unless otherwise stated, the liability of the company under this sub-section in respect of any one occurrence shall not exceed the limits of indemnity as stated in the schedule.

The company will also, in terms of and subject to the limitations of and for the purposes of this sub-section,

- 1 pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this sub-section, or for defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any event which may be the subject of indemnity under this sub-section, provided that the total of the company's liability under both this extension and sub-section B shall not exceed the limit of indemnity stated to apply to sub-section B
- 2 indemnify any person who is driving or using such vehicle on the insured's order or with the insured's permission provided that
 - 2.1 such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this insurance in so far as they can apply
 - 2.2 such person driving such vehicle has not been refused any motor insurance or continuance thereof by any insurer
 - 2.3 indemnity shall not apply in respect of claims made by any member of the same household as such person
 - 2.4 such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder
- 3 indemnify the insured while personally driving or using any private type motor car not belonging to him and not leased or hired to him under a lease or suspensive sale agreement, provided the insured is an individual and has insured hereunder a vehicle described under definition 6.1 or 6.2 and provided the company shall not be liable for damage to the vehicle being driven or used
- 4 indemnify the insured in respect of liability arising from the towing by a vehicle (other than for reward) of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided the company shall not be liable for damage to the towed vehicle or trailer or to property therein or thereon.

Specific exceptions to sub-section B

The company shall not be liable under this sub-section in respect of

1 Compulsory motor vehicle insurance enactment

so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment.

This exception shall apply notwithstanding that no insurance under such enactment is in force or has been affected.

2 Liability to passengers

injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in definition 6.2, 6.3, 6.4 or 6.5 at the time of the occurrence of the event from which any claim arises (except any person being carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger-carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1 500kg);

3 Tool of trade

liability arising from the operation, demonstration or use (for purposes other than maintenance or repair of the vehicle) of any tool or plant forming part of or attached to or used in connection with a vehicle or anything manufactured by or contained in any such tool or plant. This exclusion shall not apply to forklift trucks.

Sub-section C Medical expenses

Defined events

If an occupant in the specified part of a vehicle described below, in direct connection with such vehicle, sustains bodily injury by violent, accidental, external and visible means, the company will pay to the insured the medical expenses incurred as a result of such injury up to R2 000 per injured occupant but not exceeding



R25 000 in total for all occupants injured as a result of an occurrence or series of occurrences arising out of one event.

The amount payable under this sub-section shall be reduced by any amount recoverable under any workmen's compensation enactment or similar legislation.

The term medical expenses includes any costs incurred to free such injured occupant from such vehicle or to bring such injured occupant to a place where medical treatment can be given.

Defined vehicle but only if it is insured under sub-section A of this section	Specified part of vehicle in which the injury must occur
1 Any private type motor car or motorised caravan	Anywhere inside the vehicle
2 Any other type of insured vehicle other than a bus or taxi	The permanently enclosed passenger-carrying compartment

No claim rebate provisions (applicable to specified vehicle basis)

The policy schedule reflects the claim free group (CFG) of each vehicle. These are awarded based on the number of claims made or arising for the particular vehicle during the preceding (annual) periods of insurance (being the period of twelve consecutive months from the inception date or anniversary date). The renewal premium is then based on the revised claim free group according to the following explanation:

- 1 Claim free groups range from 0 to 6 for vehicle definitions 6.1 and 6.3 with 6 having the lowest and 0 having the highest premium. For vehicle definitions 6.2 and 6.4 the claim free groups range from 0 to 4.
- 2 As an example a claim free group 3 would be awarded to a vehicle that has been claim free for the preceding 3 years and a 6 for a vehicle that has been claim free for the preceding 6 years.
- 3 Each claim made or arising in a period of insurance will result in the claim free group reducing by 2 at the next renewal. As an example, if a vehicle with a claim free group 5 has a claim during the period of insurance this will result in a claim free group 3 at the next renewal. If the same vehicle with a claim free group 5 has 2 claims during the period of insurance the claim free group will reduce to 1 at the next renewal.

Specific conditions

1 Licence

If, during the currency of this section, any driver's licence in favour of the insured or his authorised driver is endorsed, suspended or cancelled, or if he or they shall be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to the company immediately the insured has knowledge of such fact.

Specific exceptions applicable to all sub-sections

The company shall not be liable for

1 Contractual liability

any claim arising from contractual liability, unless such liability would have attached to the insured notwithstanding such contractual agreement;

2 Intoxicating liquor, drugs or not licenced

any accident, injury, loss, damage or liability incurred while any vehicle is being driven by

- 2.1 the insured while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or while not licensed to drive such vehicle
- 2.2 any other person with the general consent of the insured who, to the insured's knowledge, is under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or who is not licensed to drive such vehicle, but this shall not apply if the insured was unaware that the driver was unlicensed and the insured can prove to the satisfaction of the company that, in the normal course of his business, procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles.



Provided that any driver shall be deemed to be licensed to drive the vehicle if he is complying with the licensing laws relating to any of the territories referred to in the territorial limits, or if non-compliance with any licensing law is solely because of failure to renew any licence subject to periodic renewal, or if a licence is not required by law, or while such driver is learning to drive and is complying with the laws relating to learner drivers. The term licensed shall include the requirement of having a Professional Driving Permit in addition to a driver's license for those vehicle types requiring such permits by law

3 Outside of territorial limits

any accident, injury, damage or liability incurred outside the territorial limits, but the company will indemnify the insured against damage to any vehicle while in transit by sea or air between ports or places in these territories including loading and unloading incidental to such transit

4 Vehicle not being used in accordance with description of use

any accident, injury, damage or liability whilst the vehicle is being used with the general knowledge and consent of the insured otherwise than in accordance with clause 4 (Description of use clause)

Clauses, extensions and limitations

1 Contingent liability extension to sub-section B (Liability to third parties) (if stated in the schedule to be included)

The indemnity under sub-section B includes claims made against

- 1.1 the insured in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of or provided by the insured, while being used by any partner or director, trustee or employee of the insured (hereinafter in this extension referred to as such person)
- 1.2 any such person in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to him or to the insured or leased or hired by either of them, but only in so far as such person has not been refused any motor insurance or continuance thereof by any insurer

provided that

- 1.1 exception 2 (Liability to passengers) of the exceptions to sub-section B are deleted
- 1.2 the company shall not be liable for loss of or damage to any motor vehicle being used for the purposes and in the manner described in 1.1 and 1.2 above
- 1.3 the payment by the insured of subsidies or travelling allowances to such person for the use of his own vehicle for official purposes of the insured, including the carriage of persons for such purposes, is allowed without prejudice to the insurance by this extension
- 1.4 if, at the time of the occurrence of any accident giving rise to a claim under this extension, the insured or such person is entitled to indemnity under any other policy in respect of the same occurrence, the company shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other policy
- 1.5 the terms, exceptions and conditions of the policy shall otherwise apply.

2 Credit shortfall extension (if stated in the schedule to be included)

If any total loss settlement under sub-section A is less than the amount owing to the financier under a current instalment sale or lease agreement, the company will pay to the insured an additional amount equal to the shortfall less:

- 2.1 any arrears instalments or rentals including interest payable on such arrears
- 2.2 all refunds of premium for cancellation of any insurance cover relating to the motor vehicle
- 2.3 the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled
- 2.4 the first amount payable under sub-section A

provided always that

- 2.1 the amounts payable shall not exceed the maximum indemnity less the first amount payable under sub-section A



- 2.2 this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment
- 2.3 if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

3 Cross liabilities clause to sub-section B (Liability to third parties)

Where more than one insured is named in the schedule, the company will indemnify each insured separately and not jointly, and any liability arising between such insureds shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the company shall not exceed the limit of indemnity stated in the schedule.

4 Description of use clause

Use for social, domestic and pleasure purposes and use for the business or occupation of the insured excluding

hiring, carriage of passengers for hire or carriage of fare-paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry or use for any purpose in connection with the motor trade.

The indemnity to the insured in connection with any vehicle shall operate while such vehicle is in the custody or control of a member of the motor trade for the purpose of its overhaul, upkeep or repair.

5 Fire extinguishing charges extension to sub-section A (Damage)

Any costs (not exceeding R7 500) relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which the company may be liable in terms of this section, provided the insured is legally liable for such costs and the insured property was in danger from the fire.

6 Loss of keys extension to sub-section A (Damage) (if stated in the schedule to be included)

The company will indemnify the insured in respect of the cost of replacing locks and keys, including the remote alarm controller and, if necessary, the reprogramming of any coded alarm system of any insured vehicle, following upon the disappearance of any key or alarm controller of such vehicle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller, provided that

- 6.1 the company's liability shall not exceed, in respect of any one event, the amount stated in the schedule
- 6.2 such amount shall be reduced by the first amount payable stated in the schedule.
- 6.3 the provisions of this section relating to first amount payable and no claim rebate shall not apply to this extension.

7 Parking facilities and movement of third party vehicles extension to sub-section B (Liability to third parties) (if stated in the schedule to be included)

This section extends to indemnify the insured in respect of accidents caused by or through or in connection with the moving of any vehicle (not owned or borrowed by or hired or leased to the insured) by any person in the employ of the insured or acting on the insured's behalf, provided always that such vehicle was being moved

- 7.1 with the authority of any tenant, customer or visitor of the insured or
- 7.2 in connection with the insured's parking arrangements or
- 7.3 to facilitate the carrying out of the insured's business,

and provided further that this extension shall not apply in respect of damage to vehicles which are parked for reward.

For the purpose of this extension, such vehicle (and its contents) shall not be deemed to be held in trust by, or in the custody or control of, the insured.

8 Passenger liability extension to sub-section B (Liability to third parties) (if stated in the schedule to be included)

Exception 2 (Liability to passengers) to sub-section B shall not apply to vehicles described in definition 6.2, other than special types, or in definitions 6.3, 6.4 or 6.5. The limit of indemnity for any one occurrence shall not exceed the amount stated in the schedule.



9 Premium adjustment clause

If this section is issued on a non-specified vehicle basis, the insured shall submit to the company at the end of each (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date) a declaration of the total number of vehicles owned, hired or leased at such expiry date. The company shall, upon receipt of this declaration, make a premium adjustment of 50 per cent of the annual rate per vehicle applied to the difference in the number of vehicles at inception or renewal and the number declared.

10 Principals clause to sub-section B (Liability to third parties)

Notwithstanding specific exception 1 (Contractual liability) of this section, the indemnity under sub-section B extends to indemnify, to the extent required by the conditions of any contract of the Building Industries Federation of South Africa, and in connection with any liability arising from the performance of such contract, any principal named in such contract entered into by the insured for the purposes of the business, provided that the liability of the company shall not exceed the limit of indemnity stated in the schedule.

11 Riot and strike (excluding damage occurring in the Republic of South Africa and Namibia) extension to sub-section A (Damage) (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:

- 11.1 civil commotion, labour disturbances, riot, strike or lockout;
- 11.2 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:

- 11.1 loss or damage occurring in the Republic of South Africa and Namibia;
- 11.2 consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- 11.3 loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- 11.4 loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority;
- 11.5 loss or damage related to or caused by any occurrence referred to in general exception 7.1.2, 7.1.3, 7.1.4, 7.1.5, 7.1.6 or 7.1.7 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 11.1, 11.2, 11.3, 11.4 or 11.5, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

12 Third party, fire and theft only limitation (if stated in the schedule to be applicable)

The liability of the company under sub-section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, sub-section C and the no claim rebate provisions are cancelled.

13 Third party only limitation (if stated in the schedule to be applicable)

Sub-sections A and C and the no claim rebate provisions are cancelled.

14 Unauthorised passenger liability extension to sub-section B (Liability to third parties) (if stated in the schedule to be included)

The indemnity under sub-section B, notwithstanding exception 2 (Liability to passengers) thereto, extends to cover the insured's legal liability for death of or bodily injury to persons while being carried in or upon or entering or getting onto or alighting from any vehicle in contravention of the insured's instructions to their driver not to carry passengers.

The limit of indemnity for any one occurrence shall not exceed the amount stated in the schedule.

15 Waiver of subrogation rights clause

For the purposes of this section, the company waives all rights of subrogation or action which they may have or acquire against any other person to whom the indemnity hereunder applies, and each such person shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this insurance in so far as they can apply.



16 War clause to subsections B (Liability to third parties) and C (Medical expenses and trauma costs)

In respect of sub-sections B and C only, general exception 7 (War, riot and terrorism) is deleted and replaced by the following:

This section does not cover war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

17 Windscreen extension

The provisions of this section relating to first amount payable and no claim rebate shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle provided that

17.1 no other damage has been caused to the vehicle giving rise to a claim under the policy

17.2 the insured shall be responsible for the first amount payable (applicable to glass) stated in the schedule of each and every loss.

18 Wreckage removal extension to sub-section A (Damage) (if stated in the schedule to be included)

The cover provided under sub-section A of this section is extended to include costs and expenses incurred by the insured in respect of the clearing up and removal of debris and wreckage of any insured vehicle following damage to such vehicle by a defined event, provided that, in addition to the limit of indemnity under sub-section A of this section, the limit of the company's liability under this extension shall not exceed, in respect of any one occurrence, the limit stated in the schedule to apply to this extension.