

ACCIDENTAL DAMAGE SECTION

DEFINED EVENTS

1. **Accidental damage (Basic)** (if stated as included in the schedule)

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 the Business All Risks and Machinery Breakdown sections or in terms of power surge as insured under the Property Damage section) listed as available sections under this policy/product.

The amount payable for all loss or damage arising out of one original cause or source shall not exceed the insured amount stated, and notwithstanding General condition 2, this section shall not be called into contribution for any defined event for which more specific insurance has been arranged.

2. **Accidental damage (Leakage)** (if stated as included in the schedule)

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

DEFINITIONS

First loss shall mean an insured amount as selected by the Insured that is less than the Total Asset Value of the Insured Property.

Insured property shall mean any tangible property belonging to the Insured or held in trust or on commission or for which they are responsible **other than** :

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;**
2. **furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art;**
3. **property in transit by air, inland waterway or sea;**
4. **railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers;**
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;**
6. **electronic data-processing equipment and external data media (punch cards, tape disks and the like) and the information they contain;**
7. **property in the course of construction, erection or dismantling including materials or supplies related thereto;**
8. **property in the possession of customers under lease, rental, credit or suspensive sale agreements;**
9. **glass, china, earthenware, marble and other fragile or brittle objects**

unless stated in the schedule to be insured.

Premises shall mean the premises insured and reflected in the Fire, Buildings Combined and Office Contents section schedules.

Total asset value as reflected in the schedule shall be a declaration by the Insured of the maximum value of the Insured Property during the period of insurance.

SPECIFIC EXCLUSIONS

In respect of Defined event 1 only, the Company shall not be liable for:

1. **any peril excluded or circumstance precluded from any other insurance available from the Company at inception hereof or for any first amount payable due by the Insured under such insurance, or for any reduction of amount payable under any claim due to the application of average;**
2. **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;**
3. **detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process;**
4. **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;**
5. **loss of or damage to Insured Property caused by:**
 - 5.1 **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;**
 - 5.2 **overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exclusion applies only to vessels, pipes, tubes or similar apparatus;**
 - 5.3 **breakdown, electrical, electronic and/or mechanical derangement;**
 - 5.4 **altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;**

- 5.5 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;
 - 5.6 denting, chipping, scratching or cracking not affecting the operation of the item;
 - 5.7 termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light;
 - 6. settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any Insured Property;
 - 7. loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container;
 - 8. loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes;
 - 9. loss of or damage to Insured Property due to the failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant;
 - 10. collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).
- and in respect of both Defined events 1 and 2:

11. Specific property exclusion (if stated as being applicable in the schedule)

The property listed or described in the schedule against this exclusion shall be added to the list of excluded property of the Insured Property definition.

CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) **subject to any insured amounts or first amounts payable stated in the schedule under each extension.**

Additional costs

In respect of buildings, plant and machinery insured, the insured amount includes:

- 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 anything for which notice had been served on the Insured prior to the insured event;
 - 1.2 anything connected with undamaged property or undamaged portions of property;
 - 1.3 rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the Insured Property;
- 2. fees for the examination of municipal or other plans;
- 3. costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding, **provided that the Company shall not be liable for any costs and expenses:**
 - 3.1 incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site;
 - 3.2 arising from pollution or contamination of property not insured by this policy/section.
- 4. the professional fees of architects, quantity surveyors and other consultants;
- 5. charges levied by any authorised fire brigade for their services;

but the Company shall not be liable under 1, 2, or 4 unless the lost or damaged property is replaced or reinstated without undue delay nor under 4 for any expenses in connection with the preparation of the Insured's claim.

Mortgagee

From the date of notification in writing of such interests to the Company, the Company shall accept the interest of a mortgagee or others with an insurable interest in the Insured Property and such interests shall not be prejudiced due to the act or omission of the mortgagor without the mortgagee's knowledge provided that, the mortgagee advises the Company as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from the Company assuming any increased hazard.

Railway and other subrogation

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.

Restricted cover

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

Tenants

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

CONDITIONS

1. **Average** (applicable if the insured amount and the Total Asset Value as reflected in the schedule are equal)
If, on the occurrence of an insured event, the value of the Insured Property is greater than the insured amount 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 condition.
2. **First loss average** (applicable if the insured amount in the schedule is less than the Total Asset Value reflected in the schedule)
If, at the time of any loss or damage arising, the total value of the property described by each item does not exceed the Total Asset Value 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 Total Asset Value stated in the schedule, 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 insured amount as the aforementioned sums shall bear to the total value not exceeding in all the total insured amount by each item.**
3. **Reinstatement** (if stated as being applicable in the schedule)
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:
 - 3.1 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 condition had not been incorporated in this section shall be made;**
 - 3.2 **the Company shall not be liable for any payment beyond the amount that would have been payable if this condition 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;**
 - 3.3 nothing herein shall override the Average condition or the First loss average condition (whichever is applicable), other than the method of determining the value of the Insured Property for the purposes of such condition's calculations which shall, as set out above, 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;
 - 3.4 **this condition shall not apply if:**
 - 3.4.1 **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;**
 - 3.4.2 **the Insured are unable or unwilling to replace or reinstate the lost or damaged Insured Property on the same or another site.**

Version 1	Product: Guesthouse	Country: South Africa
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