



FSP 45623



POLICY WORDING



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Underwritten by Centriq Insurance Company Limited, a Licensed Non-Life Insurer, an Authorized Financial Service Provider (FSP3417) and administered by Arrow Underwriting Managers (Pty) Ltd, an authorized financial service provider (FSP45623)

Arrow Underwriting Managers (Pty) Ltd, Reg No: 2014/134814/07, FSP No: 45623

Directors: P de Smidt-CEO (T Allen-Alternate), G Carstensen-Marketing

Insurance products are underwritten by Centriq Insurance Company Limited ("Centriq"), a licensed non-life insurer and authorised financial services provider, FSP 3417 and Reg No: 1998/007558/06, VAT No: 4230187124

Tel No: JHB: 010 601 6100 | DBN: 010 601 6111. Arrow Assist: 010 601 6222

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GENERAL EXCEPTIONS, CONDITIONS and PROVISIONS

Subject to the terms, exceptions and conditions of the policy (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 **Centriq Insurance Company Limited** (hereafter called **the Company**), the Company agrees to indemnify or compensate the Insured and has authorised **Arrow Underwriting Managers (Pty) Ltd** to administer the payment or, at the option of the Company, replacement, reinstatement or the repair in respect of the defined events occurring during the period of insurance and as otherwise provided under the sections up to the sums insured, limits of indemnity, compensation and other amounts specified.

The General terms, exceptions, conditions and provisions will apply to all sections of the policy except if specifically stated to the contrary.

GENERAL EXCEPTIONS

1. War and Civil War Exclusion

This policy shall exclude any loss or damage occasioned by or through or in consequence directly or indirectly of any of the following occurrences, namely:-

- (a) war, invasion, act of foreign enemy, hostilities or war-like operations (whether war be declared or not), civil war;
- (b) mutiny, military rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any events or causes which determine the proclamation or maintenance of martial law or state of siege;
- (c) Any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrow by force of any government or to the influencing of it by terrorism or violence;
- (d) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clauses (a), (b) and (c).

If the Company alleges that, by reason of (a), (b), (c) or (d) of this exclusion, loss or damage is not covered by this Contract, the burden of proving the contrary shall rest with the Insured.

2. Strike, Riot and Civil Commotion (SRCC) Exclusion Clause

This policy shall exclude any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:

- (a) Any riot, strike, public disorder or civil commotion or any act or activity which is calculated or directed to bring about a riot, strike or public disorder;
- (b) Any act (whether on behalf of any organisation, 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;
- (c) 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 political or local authority, or for the purpose of imposing fear in the public or any section thereof;
- (d) Any attempt to perform any act referred to in (a), (b) and (c) above;
- (e) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clauses (a), (b), (c) or (d) above;
- (f) Looting committed as part of the acts described in (a), (b), (c) or (d) above.

If the Company alleges that, by reason of 1), 2), 3), 4), 5) or 6) of this exclusion, loss or damage is not covered by this policy, the burden of proving the contrary shall rest with the Insured.

3. Russia/Ukraine/Belarus exclusion

It is understood and agreed that this policy does not provide any cover and does not include any liability to pay any claim or provide any benefit hereunder in respect of any goods, services or insured items or risks located in Russia or Ukraine or Belarus, of Russian or Ukrainian or Belarusian origin, directly and indirectly in relation to any goods and technology for aircraft, spacecraft, and parts thereof to any person, entity or body in Russia or for use in Russia, to be transported to or from Russia or Ukraine or Belarus or directly or indirectly owned by an Russian or Ukrainian or Belarusian person or entity, to any person, entity or body in Russia or for use in Russia or in any other way subject to an Russian or Ukrainian or Belarusian interest.

4. Asbestos

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover any actual or alleged liability whatsoever for any claims in respect of, loss or losses, 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 asbestos in whatever form or quantity.

5. Radioactive Exclusion

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

Nuclear Material, Nuclear Fission or Nuclear Fusion, Nuclear Radiation, Nuclear Waste from the use of Nuclear Fuels, Nuclear Explosives or any nuclear weapon.

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Definitions:

“Nuclear Material” means:

- i) Nuclear Fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of Nuclear Fission outside a Nuclear Reactor, either alone or in combination with some other material; and
- ii) Radioactive Products or Waste.

“Radioactive Products or Waste” means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilization of Nuclear Fuel but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

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

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

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

“Nuclear Waste” means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilization of nuclear fuel but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

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

“Nuclear Explosives” means an explosive involving the release of energy by Nuclear Fission or Nuclear Fusion or both.

6. Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (only applicable to Goods in Transit section)

This clause shall be paramount and shall override anything contained in this policy inconsistent therewith.

In no case shall this policy cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

- (a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (b) in the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (c) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- (e) any chemical, biological, bio-chemical, or electromagnetic weapon.

7. Sanction Limitation and Exclusion Clause

This policy excludes cover, and the Company is not liable to pay, for any claim nor provide any benefit under this policy 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 resolutions or any trade, economic, personal or other sanctions, laws or regulations of the European Union, United Kingdom, United States of America and the Republic of South Africa or of any other country or political or economic zone.

8. Cyber Exclusion (only applicable to Commercial Motor section)

This policy excludes any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Incident.

For the purposes of this exclusion clause, any loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data shall not be considered as physical loss or damage and shall therefore, if directly occasioned by a Cyber Incident, not be recoverable hereunder.

Definitions:

a. “Cyber Incident” shall include:

- i. unauthorised or malicious acts regardless of time and place, or the threat or hoax thereof;
 - ii. Malware or Similar Mechanism;
 - iii. programming or operator error whether by the Insured or any other person or persons;
 - iv. any unintentional or unplanned – wholly or partially – outage of the Insured’s Computer System not directly caused by physical loss or damage;
- affecting access to, processing of, use of or operation of any Computer System or any Electronic Data by any person or group(s) of persons.

b. “Computer System” means any computer, hardware, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or Electronic Data storage device, networking equipment or back up facility.

c. “Electronic Data” means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes,

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software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

- d. "Malware or Similar Mechanism" means any programme code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programmes, data files or operations (whether involving self-replication or not), including but not limited to "Virus", "Trojan Horses", "Worms", "Logic Bombs" or "Denial of Service Attack".

9. Cyber Exclusion (only applicable to Goods in Transit section)

In no case shall this policy cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus, computer process or any other electronic system.

Subject to the conditions, limitations and exceptions of the policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.

10. Terrorism Exclusion Clause

1. Exclusion:

Notwithstanding any provision to the contrary in this policy, this endorsement excludes loss, damage, cost or expense directly or indirectly caused by, arising out of or related to any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

2. Definition of "act of terrorism":

For the purpose of this endorsement 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 organisation(s) or government(s) committed for political, religious, ideological, or ethnic purpose or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

11. Terrorism Exclusion for Contamination and Explosives

Regardless of any contributory causes, this policy does not cover any loss, damage, cost or expense directly or indirectly arising out of

- a) biological or chemical contamination; or
- b) missiles, bombs, grenades, explosives; due to any act of terrorism.

For the purpose of this clause 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 organisation(s) or government(s), committed for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

For the purpose of a) "contamination" means the contamination, poisoning, or prevention and/or limitation of the use of objects due to the effects of chemical and/or biological substances.

If the Company alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall be upon the Insured.

12. Detention, Confiscation and Forfeiture

This policy does not cover any loss, damage, cost or expense directly or indirectly arising from abandonment and/or permanent or temporary dispossession resulting from, detention, confiscation, seizure, restraint, commandeering, nationalisation, appropriation, destruction or requisition by order of any government de jure or de facto or by public authority.

13. Infectious Disease / Covid-19 Exclusion Clause

Notwithstanding any provision to the contrary, this policy excludes any loss, damage, liability, expense, fines, penalties or any other amount directly or indirectly caused by, in connection with, or in any way involving or arising out of any of the following – including any fear or threat thereof, whether actual or perceived:-

- a. Any infectious disease, virus, bacterium or other microorganism (whether asymptomatic or not); or
- b. Coronavirus (COVID-19) including any mutation or variation thereof; or
- c. Pandemic or epidemic, as declared as such by the World Health Organisation or any other governmental authority.

If the Company alleges that, by reason of this exclusion, any amount claimed by the Insured is not covered by this agreement, the burden of proving to the contrary shall rest on the Insured.

14. SASRIA

This Section certifies that, according to the policy schedule, the property insured under this Policy is insured with the South African Special Risk Insurance Association (SASRIA SOC Limited, Reg. No: 1979/000287/06) against loss or damage by riot or similar events in accordance with the terms and conditions of the SASRIA policy wording.

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15. Theft by False Pretenses and Fraud

This policy does not cover loss or damage resulting directly or indirectly from or in connection with any actual or purported exchange, cash or credit sale agreement including theft by false pretenses and/or fraud.

GENERAL CONDITIONS

1. Adjustment of premium

If the premium for any section of this policy has been calculated on any estimated figures, the Insured shall, after the expiry of each period of insurance, furnish the Company with such particulars and information as the Company may require for the purpose of recalculation of the premium for such period. Any difference shall be paid by or to the Insured as the case may be.

2. Alteration of Risk

Should there be a material change in the risk which increases the exposure to the Company in any way during the period of insurance, the Insured shall immediately inform the Company thereof, who will be entitled to review the terms of the policy.

3. Annual premium

The premium is due and 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 more than fifteen (15) days after the inception date or renewal date as the case may be but may do so upon such terms as its sole discretion may determine.

4. 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 at the election of and the sole discretion of the Company, the section only in respect of the risk to which the breach applies or affect only the claim to which it relates. The due observance and fulfilment of the terms, exceptions, conditions of this policy insofar as they relate to anything to be done or complied with by the Insured, including but not limited to the Insured's management, and the truth of the statements and answers of any proposal and declaration shall be conditions precedent to any liability to the company to make any payment and/or indemnification under this policy.

5. 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. Note however should any claims have been intimated against this policy, no premium will be refunded.

6. Claims

- A. On the happening of any event which may result in a claim under this policy the insured shall, at their own expense:
- give notice thereof to the Company as soon as reasonably possible, except for theft/hijack notification dealt with in F below;
 - provide particulars of any other insurance covering such events as are hereby insured;
 - as soon as practicable after the event inform the police of any claim involving theft or loss of or damage to the insured property (if required by the Company) and take all practicable steps to discover the guilty party and to recover the stolen or lost property;
 - as soon as practicable after the event within 30 days submit to the Company full details in writing of any claim;
 - give the Company such proof, information and sworn declarations as the Company may require and forward to the Company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim.
- B. No claim shall be payable after the expiry of 12 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.
- C. If the Company repudiates any claim, or disputes the quantum of a claim, the Insured has ninety (90) days after the date of receipt of the notice to make representation to the Company, challenging this decision. If the Company persists in repudiating the claim

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or disputing the quantum, the Insured shall have summons issued and served on the Company, within six (6) months (180 days) after the expiry of the ninety (90) days (challenging period), failing which, the Insured will forfeit his claim and the Company will have no further liability in terms of this policy.

D. If, after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the Insured shall render all assistance in the identification and physical recovery of such property if called on to do so by the Company, provided that the Insured's reasonable expenses in rendering such assistance shall be reimbursed by the Company. Should the Insured fail to render assistance in terms of this condition when called upon to do so, the Insured shall immediately become liable to repay to the Company all amounts paid in respect of the claim.

E. In the event that any insured asset is written off, such asset ("salvage") shall become the property of the Company. In such event, the Company shall have the right to dispose of salvage in any manner it sees fit in its own discretion. The Insured shall do all things necessary to ensure that ownership in the salvage is timeously transferred to the Company.

F. Theft / Hi-jacking incidents:

a. All vehicles as defined (excluding trailers – unless specifically agreed) with an Insured Value of R300 000 (or as required in the policy schedule) and above must be protected with an approved operative tracking device. If a tracking device is installed, loss of or damage to the vehicle following theft, hi-jacking or attempted theft or hi-jacking will be covered only if:

i. UTILIZING TRACKING DEVICE SYSTEM

1. At the occurrence of a claim the Insured must supply proof of such tracking and recovery device and that it was active at the time of loss.
2. The Insured must ensure that the tracking device is operational and maintained in good working order and that the device is tested at least once every 6 months.
3. The insured shall make full use of the capabilities of the approved Arrow tracking device and its associated software system to mitigate loss, particularly loss as a result of hijacking and/or theft. This includes (but is not limited to) setting up alerts for the insured's designated person/s to receive notifications on their mobile devices in the event of vehicles-
 - 3.1 deviating from their pre-selected route ("geofencing") or
 - 3.2 making an unscheduled stop for longer than 3 minutes or
 - 3.3 turning off their ignition or
 - 3.4 failing to send a signal from the tracking device or
 - 3.5 battery being disconnectedto enable the insured to react by reporting a possible hijacking or theft to the tracking company concerned to commence recovery operations and thereafter to the Company in order to comply with clauses 14 and F.a.ii. below.

ii. NOTIFICATION - theft / hi-jack

As soon as reasonably possible. It is recorded that "as soon as reasonably possible" means as soon as the insured is practically able to make notification of the event after it has occurred.

b. 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.

c. In the event that any insured asset is written off, such asset ("salvage") shall become the property of the Company. In such event, the Company shall have the right to dispose of salvage in any manner it sees fit in its own discretion. The Insured shall do all things necessary to ensure that ownership in the salvage is timeously transferred to the Company.

7. Access to and use of telematics data:

It is a condition of cover that the Insured has given the Company access to data from the approved tracking device fitted to vehicle insured under this policy. The Insured agrees that the Company may use this information for the purpose of insurance risk analysis and management.

8. Company's rights after an event

a. On the happening of any event in respect of which a claim is or may be made under this policy, the Company and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the Company to rely upon any conditions of this policy;

i. take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and license of the insured to the Company to do so. The insured shall not be entitled to abandon any property to the Company whether taken possession of by the Company or not;

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- ii. take over and conduct in the name of the insured the defense or settlement of any claim and prosecute in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the prior written consent of the Company;
- b. 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 or any person authorized by them, 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. You are lawfully and contractually obliged to assist us wherever we require you to. If you do not, we may demand return of any settlement previously made.
- c. 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 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.

9. Deliberate or fraudulent acts in making a claim

All benefits afforded in terms of this policy in respect of any claim shall be forfeited and this policy may be avoided or cancelled at the company's discretion from the date of any fraudulent conduct and all premiums paid in respect of such policy shall be forfeited and this policy may be avoided or cancelled at the company's discretion from the date of the fraudulent conduct:

- (i) if any claim or part thereof under this policy is in any way fraudulent or if fraudulent means or devices are used by the insured or anyone acting on the insured's behalf to obtain any benefit under this policy, or if any insured event under this policy is occasioned by the insured's intentional conduct or that of any person acting on the insured's behalf or with the Insured's connivance; and/or
- (ii) if any fraudulent information and/or document, whether created by the insured or any other party is provided to the company by the insured or anyone acting on the insured's behalf or with the insured's connivance in substantiation or support of any claim under this policy and whether or not the claim in itself is fraudulent; and/or
- (iii) if the quantum of any claim is deliberately exaggerated by the insured or anyone acting on the insured's behalf or with the insured's connivance, for any reason whatsoever, and whether or not the claim in itself is fraudulent –

Then:

- (a) any and all benefits afforded in terms of this policy in respect of such claim will be forfeited and we will have no liability whatsoever to you in respect of such claim in its totality;
- (b) The Company will cancel this policy retrospectively, from the date on which the claim has been reported, or from the actual incident date, whichever date is earliest.

Where any benefit under this policy is forfeited in circumstances set out in this General Condition, the insured shall repay to the company all amounts which the company may have previously settled in respect of all claims forfeited without prejudice to the company's right to recover any other damages which the company may have suffered as a result of the fraudulent conduct.

10. Insured

The term Insured shall mean the juristic entity or private individual in whose name this policy is issued.

11. Misrepresentation, miss-description and non-disclosure

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

12. Monthly premium

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:

- (a) Where premium is payable monthly, the due date will be the first day of every calendar month, or, the due date as defined in the policy schedule.
- (b) Where premium is payable quarterly, half yearly or annually, the due date will be the first day of each third, sixth or twelfth calendar month.

The 15 day grace period will apply with effect from the second month (or any month thereafter) following the inception date of the policy.

13. Other insurance

If, at the time of any event giving rise to a claim under this policy, insurance exists 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.

14. Prevention of loss

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

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Insurance products are underwritten by Centriq Insurance Company Limited ("Centriq"), a licensed non-life insurer and authorised financial services provider, FSP 3417 and Reg No: 1998/007558/06, VAT No: 4230187124

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15. 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.

16. Premium Finance Warranty

Should the premium be subject to any Premium Finance agreement (whether the interests of the finance house are noted or otherwise), all parties to such agreement will be subject to the terms and conditions of this policy.

Should the Insured be in breach of the Premium Finance agreement, it shall be the responsibility of the finance house to notify the Insured and the Company in writing of said breach within five (5) working days of such default payment. Failure to notify the Company shall result in any pro-rata premium refund being adjusted against any expenses incurred by the Company from the date of such default payment.

Any refund of premium following cancellation or an endorsement of the policy, shall be payable to the finance house.

17. Territorial Limits

The Company shall not be liable for any accident, injury, damage, loss or liability incurred outside the area which on 1 January 1976 constituted the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi, Zambia, Mozambique, Tanzania, Angola and the Democratic Republic of Congo (DRC) no further north than Kolwezi unless as otherwise stated in the policy schedule of this policy.

18. Event Limit

The Event Limit as shown in the policy schedule is the maximum amount the Company will pay for the sum of all claims across all sections of this policy, arising out of any one event.

19. Average

If any vehicle is at the time of any incident giving rise to a claim is of greater retail value than the Limit of Indemnity thereon, then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item if more than one shall be separately subject to this condition.

20. Law and Jurisdiction

This Policy shall be governed by the laws of the Republic of South Africa whose courts shall have jurisdiction in any dispute arising hereunder

SPECIAL CONDITIONS

1. Adjustment of Premium

Should the New for Old extension be applicable in respect of any insured vehicle, a pro-rata premium shall become payable from the date of replacement of the vehicle until the expiry date of the current period of insurance. (Or as stated in the policy schedule)

2. Refund on Premium

No premium shall be refunded for the balance of the current period of insurance from the date of loss or damage if during the period of insurance, a loss is settled based on any of the following:

- (i) Total loss;
- (ii) Theft;

(iii) Replacement of vehicle (New for old Basis).

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 6 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 will not exceed in respect of a particular section R10.000 (Ten thousand rand) or 10 percent (ten percent) of the sum insured or limit of indemnity on the item affected, whichever is the lesser amount, plus any amount stated in the policy schedule to each section against an item for additional claim 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 policy schedule for the applicable defined event.

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3. Holding covered

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

4. Meaning of words

The policy schedule 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.

5. 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.

6. Schedule sums insured blank

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

- (i) left blank or has no monetary amount stipulated against it;
- (ii) reflected as "Nil" or "not applicable" or "not covered" or "no indemnity extended"
- (iii) this means the defined event or circumstance shown in the policy schedule is not insured by the policy.

7. 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.

8. Hijacking Definition

Theft of the vehicle or goods conveyed by the vehicle, by means of violence or threat of violence against the person (s) who, at the time of such theft, are in actual lawful control of the vehicle or the conveyancing vehicle carrying the goods.

9. Warranty Definition

Where the word warranty appears in the policy, the Insured warrants that it will comply at all times with the conditions of the warranties as included in this policy, material to any and all of the risks insured. Any breach of any warranty will result in the Company having no liability in terms of the policy.

PREMIUM PAYMENT OPTIONS

The premium payment option selected by the Insured must be stated in the policy schedule.

1. Conventional Premium Payment

Premium is payable on or before the inception date or renewal date of the policy, whether it is payable monthly or annually.

2. Deposit Premium (Burning Cost – annually paid premium only and if stated in the policy to be included)

Premium is payable on or before the inception or anniversary/renewal date of the Policy. The Deposit Premium is calculated as a percentage of the total annual premium payable. Should claims incurred being claims paid and claims outstanding (excluding SASRIA claims and claims incurred in respect of the Aggregate Fund) exceed 65% of the Deposit Premium, which is defined as the Burning Cost, the balance of the Total Annual Premium shall become payable immediately. (Or as stated in the policy schedule)

3. Low Claim Bonus Option (annually or monthly paid premium and if stated in the policy to be included)

Should claims incurred not exceed a Loss Ratio of 60%, the insured shall qualify for a refund calculated at 60% of the Annual Premium paid (excluding all SASRIA premiums and any commission and/or fees payable to the broker), less the total claims incurred plus a 20% provision for third party claims, multiplied by a factor of 25%. Such refund will only be payable following a two-month waiting period after the anniversary/renewal date and shall be subject to the policy being renewed for a further twelve-month period. Unless stated otherwise in the policy schedule.

This benefit shall be forfeited should:

- a) claims incurred exceed the Loss Ratio of 60% (or as stated in the policy schedule);
- b) the insured default on premium during the period of insurance (in terms of monthly paid premiums); or
- c) the policy is cancelled and/or reissued during the Period of Insurance.

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COMMERCIAL MOTOR

DEFINITIONS

1. Insured

The term Insured shall mean the juristic entity or private individual in whose name this policy is issued.

2. Vehicle

The term Vehicle shall mean:

- (a) private type motor cars (including station wagons, safari vans, estate cars and the like or similar vehicles designed to seat not more than 9 persons including the driver);
- (b) commercial vehicles and special type vehicles (excluding any plant and/or tool of trade);
- (c) buses (including any vehicle used for business purposes and designed to seat more than 9 persons, including the driver);
- (d) 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.
- (e) Motorcycles (including motor scooters and 4-wheeled vehicles).

Fleet basis – *Unspecified (declarations as defined in the policy schedule required annually/bi-annually/quarterly – or as stated in the policy schedule):*

being owned, leased, hired or loaned by or to the Insured including any vehicle temporarily used by the Insured as replacement for a non-specified insured vehicle out of use for the purpose of overhaul, upkeep and/or repair provided that Basis of Indemnity for such replacement vehicle shall not exceed the Own Damage Limit of Indemnity as defined in the policy schedule.

Specified basis:

being owned, leased, hired or loaned by or to the Insured including any vehicle not stated in the policy schedule temporarily used by the Insured as replacement for an insured vehicle out of use for the purpose of overhaul, upkeep and/or repair provided that the Basis of Indemnity for such replacement vehicle shall not exceed the indemnity amount of the specified insured vehicle it has replaced.

3. Occurrence

The term occurrence shall mean an occurrence or series of occurrences arising from one cause in connection with any one vehicle for which cover is provided in terms of this Commercial Motor Section.

4. First Amount Payable

The term First Amount Payable shall mean any amount that the Insured shall be liable for each and every occurrence giving rise to a claim in respect of Sub-Sections A and B as stated in the policy schedule.

SUB-SECTION A – LOSS OR DAMAGE

DEFINED EVENTS

The Company will pay for loss of or damage to the insured vehicle as described in the policy schedule including its spare parts and/or accessories supplied by the manufacturer when new whilst therein and/or thereon, including any additional accessories as specified in the policy schedule, if such vehicle is disabled by reason of any loss or damage insured hereby, including the cost of protection and removal to the nearest repairers (or nearest storage yard of the Company's preferred Service Provider) 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 R15 000, provided that a detailed estimate is first obtained and immediately forwarded to the Company, alternatively, provided that the Assist line has been used.

The company agrees to pay the reasonable costs in respect of Fuel/Diesel when your vehicle is stolen or hijacked and not recovered, or when the fuel tanks have been damaged or ruptured as a result of an accident, and ALL the fuel in the tanks has been spilled, a limit of R10.000 or the equivalent proportion for compensation for the loss of fuel, will be paid

The Company will also pay the reasonable cost of delivery to the Insured, after repair of such damage, not exceeding the reasonable cost of transportation to the permanent street address of the Insured within the Republic of South Africa unless otherwise agreed with the Company; PROVIDED THAT:

- 1. the Company may, at its own option, repair or replace such insured vehicle including any spare parts and/or accessories supplied by the manufacturer when new, including any additional accessories as specified, whilst therein and/or thereon or may pay in cash the amount of the loss or damage in accordance with the Basis of Indemnity as selected;
- 2. if, to the knowledge of the Company, the insured 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 loss or

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damage;

3. in respect of any occurrence with the exception of Fire Lightning or Explosion the Insured shall be responsible for the first amounts payable stated in the policy schedule (according to the vehicle definition as defined) of any expenditure (or any less expenditure which may be incurred) for which provision is made under this policy (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;
4. the Company shall not be liable for more than the amount stated in the policy schedule (after deduction of the first amounts payable) in respect of the theft or attempted theft of radios, compact disc and tape players and similar equipment or telephones not supplied by the manufacturers of the insured vehicle when new, unless otherwise specified in the policy schedule.

BASIS OF INDEMNITY

The Basis of Indemnity for each type of insured vehicle as stated in the policy schedule shall be the maximum amount payable by the Company in respect of such loss or of damage as selected and stated in the policy schedule;

a. Agreed Value (if stated in the Schedule to be included – or as stated in the policy schedule)

Agreed value shall mean the amount stated as the Sum Insured (or declared value re Fleet based policies) for the vehicle described in the policy schedule, which shall be the value agreed between the Insured and the Company. The valuation will not exceed 10% (ten percent) of the Retail value (or Market value if defined as the basis of settlement). Market value or Retail (whichever cover applies) value is defined in the Trans Union Auto (Mead & McGrouther), for the make and model duly adjusted for condition;

PROVIDED THAT:

This endorsement shall not apply unless an independent valuation of the vehicle has been accepted by the Company prior to the date of any incident giving rise to a claim. Unless stated otherwise in the policy schedule.

The Company shall not be liable for any costs incurred in obtaining such valuation. Furthermore, a written valuation will need to be provided to the Company on a yearly basis, preferably at Renewal. The intention to provide this basis of settlement to the Insured is to be able to provide fair value for vehicles that are readily available in the market.

b. Market Value (if stated in the policy schedule to be included)

The limit of indemnity shall not exceed the reasonable market value including spare parts and/or accessories supplied by the manufacturer when new whilst therein and/or thereon as described in the relevant Trans Union Auto (Mead & McGrouther) at the time of such loss or damage, including any additional accessories not exceeding the limit of indemnity as specified.

c. Retail Value (if stated in the policy schedule to be included)

The limit of indemnity shall not exceed the reasonable retail value including spare parts and/or accessories supplied by the manufacturer when new whilst therein and/or thereon as described in the relevant Trans Union Auto (Mead & McGrouther) at the time of such loss or damage, including any additional accessories not exceeding the limit of indemnity as specified.

SPECIFIC EXCEPTIONS TO SUB-SECTION A

The Company shall not be liable to pay for:

- (a) 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, failures or breakdowns;
- (b) any resultant damage caused by Mechanical or electronic Failures or breakdowns;
- (c) any subsequent damage should the insured vehicle be driven following any occurrence before any necessary repairs have been carried out;
- (d) damage to tyres by application of brakes or by road punctures, cuts or bursts;
- (e) loss of the vehicle or accessories (including tyres) or any part of any vehicle described in the policy schedule as a result of theft, unless at the time of such loss the vehicle was parked in a secured fenced and enclosed yard, or, a recognized truck stop operated specifically as a parking facility, or, at any premises owned occupied, leased or used by the Insured;
- (f) damage to the suspension system of the insured vehicle including springs, shock absorbers and/or wheel rims due to inequalities of the road and/or any other surface or impact with such inequalities;
- (g) damage to the insured vehicle caused by or attributed to it being in a condition that does not comply with the provisions and regulations contained within the National Road Traffic Act, 1996 (Act No. 93 of 1996) including any amendment thereof applicable within the Republic of South Africa or such similar legislation applicable within the Territorial Limits as stated in the policy schedule;
- (h) If the insured vehicle or any other vehicle forming a part of a combination of vehicles together with an insured vehicle, is at the time of any incident giving rise to a claim in terms of this Policy found to be in a state or condition which is not roadworthy or does not comply with Part II of the regulations and standards promulgated in terms of the National Road Traffic Act No 93 1996 (as amended) then all benefits under this Policy shall be forfeited.

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- (i) damage to plant or any plant forming part of or attached to the insured vehicle whilst being used as tool of trade;
- (j) detention, confiscation or requisition by customs or other officials or authorities; (j) the first amount payable as stated in the policy schedule.
- (k) any vehicle whilst it is being driven by:
 - (i) the Insured while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with instructions of a member of the medical profession other than himself) or while not licensed to drive such vehicle;

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- (iii) 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 or 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;
- (L) If the vehicle has undergone any structural changes to the standard production design, unless notified to and accepted by the Company prior to the loss, accident or departure.

SUB-SECTION B - LIABILITY TO THIRD PARTIES

DEFINED EVENTS

Any accident caused by or through or in connection with any vehicle described in the policy 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:

- (a) Death or bodily injury to any person but excluding death of or bodily injury to the Insured or 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
- (b) 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.

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 prior 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:
 - (a) 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;
 - (b) Such person driving such vehicle has not been refused any motor insurance or continuance thereof by any insurer;
 - (c) Indemnity shall not apply in respect of claims made by any member of the same household as such person;
 - (d) Such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder;
- 1. Indemnify the Insured in respect of liability arising from the towing by a vehicle described in the policy schedule (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.

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 limit of indemnity and/or the compensation amount as stated in the policy schedule.

SPECIFIC EXCEPTIONS TO SUB-SECTION B

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

- (a) So much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply whether or not such compensation has been claimed, paid or received, whether the applicable legislative entity is unable to or incapable of providing compensation, and notwithstanding that no insurance under such enactment is in force or has been affected;
- (b) where compensation can or could be claimed from or payable by the Road Accident Fund in terms of the Road Accident Fund Act 56 of 1996, as amended, or in terms of any legislation enacted for the purpose of providing compensation for loss, damage or liability caused by or arising in connection with an insured vehicle. This exception applies whether or not the Road Accident Fund is unable or incapable of paying compensation, or whether compensation is claimed, paid or received, and notwithstanding that no insurance under the said legislation is in force or has been effected;
- (c) Death of or bodily injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in Definition 2. (b) commercial vehicles and special type vehicles, (c) buses, (d) trailers or (e) motorcycles 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 3500kg);
- (d) 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;
- (e) All and any costs incurred in connection with the cleaning up or removal of or otherwise handling of anything of whatsoever nature conveyed in or on the vehicle;

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- (f) Costs and expenses incurred for clean-up and remedial procedures to remove or repair the effects of spillage or leakage (irrespective of whether such spillage or leakage is the result of a motor accident or not) of any substance or material carried in or on or by the insured vehicle, unless such cover is specifically provided for elsewhere in this policy.
- (g) Liability arising whilst the Vehicle or any trailer attached thereto is conveying Dangerous Goods as provided for by Section 54 of the National Road Traffic Act, 1996 (as amended) and the regulations issued thereunder.

SUB-SECTION C – EMERGENCY EXPENSES

(The cover under this section does not apply to busses, motorcycles or to any fare paying passenger vehicles)

DEFINED EVENTS

If any occupant of an insured vehicle in direct connection with the insured vehicle, sustains bodily injury by violent accidental external and visible means, the Company will pay

- (a) The costs incurred to free the occupant from the insured vehicle;
 - (b) The costs incurred to bring the injured occupant to a place where medical treatment can be provided;
- up to the sum of R1 000.00 in respect of each person injured but not exceeding R3 000.00 in total for all occupants injured as a result of an occurrence or series of occurrences arising out of one event.

The amount payable shall be reduced by any amount recoverable under any workmen's compensation enactment or similar legislation. Costs incurred for passengers carried in commercial vehicles will not be provided should such passenger not be carried in the permanently enclosed passenger carrying compartment of such vehicle.

COVER LIMITATIONS

If stated in the policy schedule, cover for the specified vehicle will be limited to:

- a. **Third Party Only**
Sub-Sections A and C is deleted
- b. **Third Party, Fire and Theft**
Sub-Section C is deleted and the liability of the Company in respect of Sub-Section A is restricted to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. (Or as stated in the policy schedule)

AGGREGATE EXCESS (Refers to policy structure as stated in the policy schedule if applicable)

1. Aggregate Amount

The term Aggregate Amount shall mean the maximum accumulated amount that the Insured shall be liable for after the deduction of any Inner Excess and/or Stop Loss applicable for any occurrence in respect of the relevant Sub-Section as stated in the policy schedule during any one policy Period of Insurance. In the event of mid-term cancellation, shortening or extending of the Period of Insurance, the Aggregate Amount shall be adjusted proportionally. The Aggregate Amount is reduced on a claim paid basis which means that for the purpose of determining whether or not a claim is payable, the payment is not off-set against the balance until the actual payment is made. If the number of vehicles declared in accordance with General Condition 1 Adjustment of Premium) shall exceed the number of vehicles at inception of the period of insurance, then the Annual Aggregate Amount shall be proportionally increased.

2. Stop Loss

The term Stop Loss shall mean the maximum amount that the Insured shall be liable for after the deduction of any Inner Excess applicable for any occurrence in respect of the relevant Sub-Section which is subject to an Aggregate Amount as stated in the policy schedule. Should the Aggregate Amount be exceeded, the Stop Loss shall no longer apply.

3. Inner Excess

The term Inner Excess shall mean any first amount payable that the Insured shall be liable for any occurrence in respect of the relevant Sub-Section where a Stop Loss is applicable and replaces the First Amount Payable as stated in the policy schedule.

EXTENSIONS

1. Cross-liabilities

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

2. Emergency services cost

The Company shall pay the costs and expenses incurred in respect of the use of emergency services in response to an accident, attempted theft or hijack of an insured vehicle provided that the cover shall not exceed R 5 000 in respect of any one claim.

3. Fire extinguishing charges

The cover provided under Sub-Section A is extended to include any reasonable fire extinguishing costs incurred as a result of damage

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to the insured vehicle provided that the costs incurred shall not exceed R 25 000 or the amount stated in the policy schedule, whichever is the greater, in respect of any occurrence.

4. Loss of keys

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:

- a. the Company's liability shall not exceed, in respect of any one event, the amount stated in the policy schedule;
- b. such amount shall be reduced by the first amount payable stated in the policy schedule.

5. Parking facilities and movement of Third Party vehicles

Sub-Section B 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 employment of the Insured or acting on the Insured's behalf, provided always that such vehicle was being moved:

- a. with the authority of any tenant, customer or visitor of the Insured; or
- b. in connection with the Insured's parking arrangements; or
- c. 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.

and provided further that this extension shall not apply in respect of damages 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.

6. Passenger Liability

(The cover under this extension does not apply to buses or trailers or motorcycles or fare paying passenger vehicles)

Exception (b) to sub-section B shall not apply to vehicles described in the Definition 2. (b) commercial vehicles and special types, provided that cover will be restricted to the passenger compartment, and the limit of indemnity for any one occurrence shall not exceed the amount stated in the policy schedule.

7. Personal property of the driver/s

The Company shall pay in respect of loss of or damage to personal property belonging to the driver/s (excluding cell phones) provided that the limit shall not exceed R 5 000 per driver in respect of any one claim but excluding personal property not otherwise insured.

8. Recovery, towing and storage costs

The cover provided under Sub-Section A is extended to include all reasonable recovery, towing and storage costs anywhere within the borders of the Republic of South Africa following damage to the insured vehicle provided that the costs incurred shall not exceed R30 000 per reg no or the amount stated in the policy schedule, whichever is the greater, in respect of any occurrence.

9. Repatriation of the insured vehicle (Territorial Limits Extension)

The cover provided in respect of Sub-Section A is extended to include repatriation cost of the insured vehicle whilst driven and or used outside the Republic of South Africa but excludes:

- a. recovery, towing and/or storage costs exceeding the amount stated in the policy schedule under the Recovery, Towing and Storage Costs extension;
- b. any parts stripped from the insured vehicle;
- c. any government-imposed duties, customs, charges, or stamps;
- d. cover in respect of Sub-Section B.

Following loss of or damage to the insured vehicle which is declared to be a constructive total loss and is not returned to the border of the Republic of South Africa then:

- (i) The Company will settle the claim based on the lesser of the estimated cost of repair or Basis of Indemnity as selected less:
 - a. any amount payable by the Insured;
 - b. any salvage value which would have been realized had the insured vehicle been returned to the Republic of South Africa and such salvage will belong to the Insured.

All cover provided in terms of this extension shall cease should the insured vehicle be abandoned.

10. Unauthorized Passenger Liability

(The cover under this extension does not apply to busses or trailers or motorcycles or fare paying passenger vehicles)

The indemnity under Sub Section B, notwithstanding exception (c) thereto, extends to cover the Insured's legal liability for death of

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or bodily injury to persons other than employees while being carried in or upon or entering or getting onto or alighting from a vehicle described in Definition 2. (a) private type cars or (b) commercial vehicles and special type vehicles or (d) trailers 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 policy schedule.

11. Wreckage removal

The cover provided under Sub-Section A is extended to include all reasonable costs and expenses incurred in respect of the clearing up and removal of debris and wreckage (including fuel and lubricants, but excluding any property conveyed) of the insured vehicle (but excluding any property conveyance) following damage of an insured 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 companies liability under this extension shall not exceed, in respect of any one occurrence, the limit stated in the policy schedule to apply to the extension. The amount stated in the policy schedule, shall not exceed R 30.000, or whichever is the greater.

OPTIONAL EXTENSIONS (if stated in the policy schedule to be included)

1. Contingent Liability

The indemnity under Sub Section B shall include claims made against

- (a) 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 any director or employee of the Insured (hereinafter in this extension referred to as such person).
- (b) 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:

- i. the Insured or any such person are not entitled to indemnity under any other policy;
- ii. exception (c) of the Exceptions to Sub-Section B is deleted and replaced by the following: Death of or bodily injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in Definition 2. Vehicle definitions (c) commercial vehicles and special type vehicles, (d) trailers or (e) motorcycles 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 3500kg);
- iii. 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 (a) and (b) above;
- iv. 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;
- v. 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
- vi. the terms, exceptions and conditions of the policy shall otherwise apply.

2. Credit shortfall

If any total loss settlement under Sub-Section A is less than the amount owing to any financier under a current instalment sale or lease agreement, the Company will pay to the financier on behalf of the Insured an additional amount equal to the shortfall less:

- (a) any arrears instalments or rentals including interest payable on such arrears;
- (b) all refunds of premium for cancellation of any insurance cover relating to the insured vehicle;
- (c) 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; (d) the first amount payable under Sub-Section A; PROVIDED ALWAYS THAT:
 - 1. the amounts payable shall not exceed the Basis of Indemnity as selected less any First Amount Payable under Sub-Section A;
 - 2. this extension shall not apply to any instalment whereby the amount of any single instalment differs by more than 10 percent of any other instalment;
 - 3. if such shortfall is as a result of the refinancing of any amount due on an instalment sale or lease agreement such amount shall be excluded;
 - 4. the Company will not pay more than R100 000 per event.

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3. Spillage and leakage Liability Extension (If stated in the policy schedule to be included)

- a) The indemnity under Sub-section B extends to cover the Insured's legal liability for the costs and expenses of clean-up and remedial procedures to remove or repair the effects of spillage and leakage of any substance carried on or by the insured vehicle arising from a sudden, identifiable, unintended and unexpected event which takes place in its entirety at a specific time, limited to the amount stated in the policy schedule for any one occurrence. Provided that in respect of each and every occurrence giving rise to a claim under this extension, the Insured will be responsible for the first amount payable of R25 000.00 of any such cost and expense.
- b) Provided further that this extension shall not be applicable in the event that cover for the same event whether incorporated in this policy or any other policy is in force at the time of liability giving rise to a claim under this extension.

4. Mechanical Breakdown tow

In the event of the insured vehicle becoming disabled due to mechanical or electrical/electronic breakdown or failure, the Company will pay the reasonable costs of protection and removal of the vehicle, trailer and its load to the nearest place of safety or the clients premises or nearest repair facility (whichever is the closest to the break-down scene) within the Republic of South Africa; PROVIDED THAT:

- (a) The Assist line is utilized in order to claim any benefits under this extension is optional.
 - (b) The cover is limited per policy to three mechanical tows per 12 months period following the policy inception date (unless otherwise stated in the policy schedule)
- the Company shall **not** be liable for:
- (a) the cost of the actual repair;
 - (b) more than the amount stated in the policy schedule in respect of this Extension for any one occurrence;
 - (c) the first amount payable as stated in the policy schedule;
 - (d) assistance following an incident anywhere outside the borders of the Republic of South Africa, as a result of the unforeseen occurrences.
 - (e) Any costs and expenses incurred to repair the insured vehicle

5. New for old

The Company will replace the insured vehicle with a similar vehicle (subject to the availability thereof) subject to loss of or damage to the insured vehicle occurring within a period of 12 months from the date of the first registration of such vehicle when new; PROVIDED THAT:

- (a) the insured vehicle has not travelled an average of more than 2 000km per month;
- (b) damage exceeds 70% of the reasonable retail value of the insured vehicle at the time of such damage;
- (c) should the insured vehicle be recovered following a theft or hijack, the Company shall be entitled to possession and ownership of such vehicle; FURTHER PROVIDED THAT:
this Optional Extension is only applicable to vehicles covered on Retail Value basis and only applicable to vehicles with a GVM 3 500 kg or less.

6. Riot and strike (Outside of RSA & Namibia)

Subject otherwise to the terms, conditions, exceptions and warranties contained therein, Sub Section A is extended to cover loss or damage directly occasioned by or through or in consequence of:

- i. civil commotion, riot, strike or lockout;
- ii. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above;

Provided that this extension does not cover:

- (a) loss or damage occurring in the Republic of South Africa and Namibia;
- (b) consequential or indirect loss or damage of any kind or description whatsoever;
- (c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority;
- (e) loss or damage related to or caused by any occurrence referred to in the War and Civil War General Exception 1. of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this extension, the burden of proving the contrary shall rest on the Insured.

The extension will apply up to a limit of R 2.500.000 any one occurrence and R 10.000.000 in the annual aggregate.

7. Trailer combination

In the event of a total loss of or damage to a trailer specified in the policy schedule and the trailer is operating as part of a mechanical horse and trailer combination at the time of such loss or damage you may elect to treat the whole trailer combination as a total loss;

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PROVIDED THAT:

1. each of the trailers that are operating as a trailer combination are specified in the policy schedule;
2. this Extension is applicable to each trailer forming part of such trailer combination;
3. the first amount payable, deductible or excess as stated in the policy schedule shall apply to each respective trailer.

SPECIFIC EXCEPTIONS APPLICABLE TO ALL SUB-SECTIONS

1. The Company shall not be liable for any accident, injury, loss, damage or liability:
 - a) arising from any person driving or using an insured vehicle not fully licensed to drive such vehicle and/or not in the possession of a Professional Driving Permit where applicable. Such license and/or permit must always be current and valid;
 - b) whilst the insured vehicle is being used without the general knowledge and consent of the Insured and not for the purposes of the Insured's business;
 - c) incurred outside the territorial limits as stated in the policy schedule, but the Company will indemnify the Insured against loss of or damage to any insured vehicle whilst in transit by sea or air between ports or places in the territorial limits including loading and unloading incidental to such transit;
 - d) used for the transportation of any dangerous or hazardous goods, unless specifically declared and accepted by the Company;
 - e) in the underground workings of any mine;
 - f) Use for social, domestic and pleasure purposes and use for the business or occupation of the Insured excluding:

Hiring (including self-drive hire), carriage of passengers for hire or carriage of fare paying passengers, racing speed or other contests, rallies, trial runs, endurance tests, use as public emergency services, use for law enforcement purposes, armed forces or military purposes, use airside at airports or airfields, 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.

2. The Company shall not be liable for any claim arising from contractual liability, unless such liability would have attached to the Insured notwithstanding such contractual agreement.

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BUSINESS ALL RISKS

DEFINED EVENTS

Loss of or damage to the whole or part of the property described in the policy schedule while anywhere within the Territorial Limits as stated in the policy schedule by any accident or misfortune not otherwise excluded;

PROVIDED THAT:

the Insured shall be responsible for the first amount payable stated in the policy schedule in respect of each and every occurrence giving rise to a claim.

SPECIFIC EXCEPTIONS

The Company shall not be liable for:

1. loss of or damage to property resulting from or caused by:
 - a) theft from any vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless such theft is accompanied by forcible and violent means;
 - b) its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration;
 - c) inherent vice or defect, vermin, insects, damp, mildew or rust;
 - d) the dishonesty of any principal, partner, director or employee of the insured whether acting alone or in collusion with others;
 - e) detention, confiscation or requisition by customs or other officials or authorities;
 - f) scratching, denting and/or chipping;
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
4. goods consigned under a bill of lading or which can be insured under a Goods in Transit or Inland Marine policy;
5. cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
6. electronic equipment including but not limited to computers, laptops and similar type equipment;
7. any unspecified item; 8. loss of or damage to:
 - a) Cellular phones and cellular phone installations;
 - b) Ropes, strapping, tarpaulins, chains and similar type equipment;
 - c) Pallets;
 - d) Fire extinguishing equipment; unless such items are specified in the policy schedule.

SPECIFIC CONDITIONS

Replacement value condition

The basis upon which the amount payable is to be calculated shall be either the replacement of the property by similar property in a condition equal to, but not better nor more extensive than, its condition when new, or the repair of the property to a condition substantially the same as, but not better than, its condition when new;

PROVIDED THAT:

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

OPTIONAL EXTENSIONS (If stated in the policy schedule to be included)

Riot and strike extension

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. civil commotion, labor disturbances, riot, strike or lockout;
2. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in above; PROVIDED THAT:

this Extension does not cover

- (a) loss or damage occurring in the Republic of South Africa or Namibia;
- (b) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- (c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- (e) loss or damage related to or caused by any occurrence referred to in General Exception 1 War and Civil War exclusion of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such

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occurrence.

If the Company alleges that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

PUBLIC LIABILITY (CLAIMS MADE)

DEFINED EVENTS

Damages which the Insured will become liable to pay consequent upon Injury or Damage which occurred in the course of or in connection with the business within the territorial limits and on or after the retroactive date shown in the policy schedule, and which results in a claim or claims first being made against the insured in writing during the period of insurance.

DEFINITIONS

For the purposes of determining the indemnity granted by this Section the following terms shall mean:

1. **Damage**
Loss of or physical damage to tangible property.
2. **Employee**
 - a) any person/s employed under a contract of service or apprenticeship with the Insured.
 - b) any person/s engaged by or on behalf of the Insured to perform a contract constituting the provision of labour only for the purpose of carrying out the day-to-day operations of the Business.
 - c) any person engaged by or seconded to the Insured (including a volunteer worker) whilst performing any function for or on behalf of the Insured.
 - d) any person engaged or contracted by any other party to perform work (including a volunteer worker) at any premises or site of the Insured.
3. **Injury**
Death, bodily injury, mental injury, illness (mental or physical) or disease of or to any person.
4. **Costs and Expenses**
Costs, charges, expenses and legal costs recoverable from the Insured by a claimant or any number of claimants or incurred by the Company or incurred by the Insured with the Company's prior consent:
 - a) in the defense or settlement of any claim under this section of the Policy or any action or prosecution brought against the Insured in respect of Injury or Damage or other liability as insured in terms of this Section of the Policy.
 - b) In the representation at any inquest or accident inquiry in respect of injury which may form the subject of indemnity under this section of the policy and/or in defending any proceedings in a court of summary jurisdiction in respect of matters which may from the subject of indemnity by this section of the policy.
5. **Vehicle**
Means a land vehicle (including any machinery or apparatus attached thereto) whether or not subject to motor vehicle registration and whether or not self-propelled including railway locomotive and rolling stock.
6. **Occurrence**
An event or series of events or continuous or repeated exposure to the same or similar set of conditions which unexpectedly or unintentionally results in liability as insured in terms of this policy. All such exposure to substantially the same general conditions at or emanating from one premise or location shall be deemed an occurrence.

LIMITS OF INDEMNITY

The Company's total liability to pay damages and claimants' costs and expenses and also Costs and Expenses in connection therewith shall not exceed the sum stated in the policy schedule in respect of any one occurrence or claim. The limits of indemnity are in excess of the deductible and/or self-insured retention.

Should any Limit of Indemnity be altered during the Period of Insurance the original Limit of Indemnity shall apply to all claims made or deemed to have been made or arising out of any occurrence prior to the date of such alteration.

TERRITORIAL LIMITS

Anywhere in the world but not in connection with any business carried on by the Insured at or from premises outside or any contract for the performance of work outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi, Mozambique, Democratic Republic of Congo (DRC) no further north than Kolwezi, Mozambique, Angola, Zambia and Tanzania.

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SPECIFIC EXCLUSIONS

The Company will not indemnify the Insured in respect of:

1. Employees

liability consequent upon Injury to any Employee arising from and in the course of employment by the Insured.

2. Property

Damage to:

- (a) (i) property belonging to the Insured;
- (ii) property in the custody or control of the Insured or any employee of the Insured but this exception shall not apply to premises (or the contents thereof) temporarily occupied by the Insured for work therein;
- (b) that part of any property on which the Insured is or has been working if such Damage results directly from such work.

3. Professional advice, vehicles, aircraft, products etc.

liability consequent upon Injury or Damage

(a) Professional advice or treatment

caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the Insured.

(b) Vehicles, watercraft, locomotives

caused by or through or in connection with the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft, locomotive or rolling stock, provided that this exception shall not relieve the Company of liability to indemnify the Insured in respect of liability consequent upon Injury or Damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such Injury or Damage is not insured by any other insurance policy.

(c) Aircraft

caused by or through or in connection with

- (i) the refueling or defueling of aircraft;
- (ii) the ownership, possession, maintenance, operation or use of aircraft or an airline;
- (iii) the ownership, hire or leasing of any airport, airstrip or helicopter pad.

(d) Products

caused by or through or in connection with any goods or product (including containers and labels) sold or supplied and happening elsewhere than on premises occupied by the Insured.

(e) Completed work

occurring after the completion and handing over of any work and caused by or through or in connection with any defect or error in or omission from such work.

4. Vibration and removal of support

caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.

5. Liability assumed by agreement

assumed by agreement unless liability would have attached to the Insured notwithstanding such agreement.

6. Removal or weakening of support

caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.

7. Pollution

- a) personal injury or bodily injury or financial loss or loss of, damage to, or loss of use of property directly or indirectly arising out of the discharge, dispersal, release or escape of pollutants;
 - b) the cost of removing, nullifying or cleaning up pollutants;
 - c) fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of pollutants;
- For the purposes of this exclusion, "pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

8. Fines, penalties etc.

fines, penalties, punitive, exemplary or vindictive damages.

9. Judgements, awards or settlements

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damages in respect of judgements, award or settlement 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. For the purpose of this specific exception "Damages" shall be deemed to include costs and expenses of litigation recovered by any claimant from the Insured.

10. Events known to the Insured

any claim arising from an event known to the Insured

(a) which is not reported to the Company in terms of General Condition 6 Claims

(b) prior to inception of this section or inception of any extension under this section.

11. First amount payable

first amount payable. The Insured shall be responsible for the first amount payable as stated in the policy schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or originating cause or source. The provisions of this clause shall apply to claims arising from Damage or Injury and shall apply to Costs and Expenses.

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12. Deliberate or intentional acts

liability consequent upon Injury or Damage arising out of the deliberate, conscious and intentional disregard by the Insured's management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim.

13. Unlawful competition

any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act no. 89 of 1998 (as amended) or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the Insured's liability arose.

MEMORANDUM

In respect of this section only, General Exception 6 is deleted and replaced by the following:

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

SPECIFIC CONDITIONS

1. Claims first made in writing against the insured

Any claim first made in writing against the Insured as a result of a Defined Event reported in terms of General Condition 6 Claims (hereinafter termed reported event) shall be treated as if it had first been made against the Insured on the same day that the Insured reported the event to the Company.

2. Reporting of events after cancellation or non-renewal of policy

In the event of cancellation or non-renewal of the policy, the Insured may report an event in terms of General Condition 6 Claims to the Company within 30 days after expiry of the Period of Insurance provided such event occurred during the Period of insurance.

3. Series of claims from one originating cause

Any series of claims made against the Insured by one or more than one claimant during any period of insurance consequent upon one event or series of events with one originating cause or source shall be treated as if they all had first been made against the Insured

(a) on the date that the event was reported by the Insured in terms of General condition 6 Claims or

(b) if the Insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the Insured.

4. Manifestation clause

When the facts do not speak for themselves and the Company and the Insured cannot mutually agree when the Injury or Damage occurred, then for the purposes of determining the indemnity granted:

(a) the Injury shall be deemed to have occurred when the claimant first consulted a qualified practitioner regarding such Injury, whether or not it was correctly diagnosed at the time. If no such consultation took place, then the Injury shall be deemed to have occurred when the Insured was first advised of the Injury.

(b) the Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

EXTENSIONS

1. Cross liabilities

Where more than one Insured is named in the policy schedule, the Insurer 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 policy schedule.

2. Tool of trade

Specific Exclusion 3(b) shall not apply to the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto, provided that the Company shall not be liable hereunder in respect of so much of any liability as falls within the scope of any form of motor insurance or compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected, nor shall the Insurer be liable where any other form of motor insurance has been effected by the Insured covering the same liability.

3. Employees' and visitors' property

Specific Exclusion 2(a)(ii) shall not apply to property belonging to any partner, director or employee of the Insured or any visitor to the Insured's premises.

4. Unattached trailers

Specific exception 3(b) shall, as far as it relates to trailers, not apply in respect of any trailer not attached to and not having become unintentionally detached from any mechanically propelled vehicle, provided that the Insurer shall not be liable hereunder in respect of so much of any liability:

(a) which is insured by or would, but for the existence of this section, be insured by any other section, policy or policies effected by the Insured;

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(b) as falls within the scope of any compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected.

5. **Emergency medical expenses**

The Insurer will indemnify the Insured for all reasonable expenses incurred by the Insured for such immediate medical treatment as may be necessary at the time of an accident causing Injury to any person who may be the subject of a claim for indemnity by the Insured in terms of this section.

6. **Car parks**

Notwithstanding the provisions of Specific exception 2(a)(ii), the Insurer will indemnify the Insured in respect of liability as herein provided arising from loss of or damage to vehicles and their contents and accessories, the property of tenants, customers, visitors or employees of the Insured using parking facilities provided by the Insured.

7. **Tenant's liability**

Specific exceptions 2(a)(ii) and 3(b) of this section shall not apply to premises occupied by the Insured as tenant (but not as the owner) thereof.

8. **Acquisitions and new businesses**

The indemnity granted by this section of the Policy extends to any company formed and/or acquired by the Insured during the Period of Insurance for a period of 90 days of such formation and/or acquisition.

Provided always that:

(a) the Retroactive Date in respect of such new company shall be deemed to be the date when a newly formed and/or 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 the date of acquisition. In the event of no such declaration, the Retroactive Date shall be the date of such acquisition;

(b) the Insured's business activities remain unchanged;

(c) 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;

(d) the Insured shall advise the Company of such formations and/or acquisitions before the expiry of 90 days thereof and the Company may amend the terms of this section of the Policy accordingly.

9. **Work Away**

The indemnity granted by this section of the Policy is in accordance with the Operative clause for and/or arising out of injury and/or damage occurring during the Period of Insurance in connection with the Insured's business activities away from the Insured's premises.

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GOODS IN TRANSIT SECTION

DEFINED EVENTS

1. If stated in the policy schedule as being All Risks Cover, cover applicable in terms of this section will be:

- (a) New goods transported in a fully enclosed / fully tarpaulined vehicle:
- i. Against All Risks of physical loss or damage to the subject matter insured, subject to the terms, conditions and exclusions of the policy. Excluding loss or damage resulting from variation in temperature howsoever caused, unless otherwise specifically stated in the policy schedule to include DOS (deterioration of stock), in which case cover is extended to include loss or damage to the subject matter insured resulting from variation in temperature attributable to breakdown or malfunction of refrigeration machinery (other than when caused by fuel starvation) resulting in its stoppage / malfunctioning for a period of not less than 4 consecutive hours, with the onus of proving such breakdown or malfunction resting on the Insured. This cover extension shall not apply whilst the subject matter insured is being transported in a refrigerated shipping container.
 - ii. If specifically included in the policy schedule, cover is extended to include physical loss or damage to temperature controlled Subject Matter insured as a result of deterioration of the consignment caused by the incorrect temperature setting of the refrigerating unit for a period of not less than 4 (four) consecutive hours. The onus of proof that an incorrect setting did occur rests with the Insured.
Temperature setting specifically and only refers to the incorrect setting of the required temperature via the electronic keypad of the refrigerating unit. Incorrect setting of airflow intake/outflow/circulation is excluded. Providing always that the responsibility for setting the temperature correctly rests solely with the Insured, failing which no cover exists under this extension of cover. This cover does not extend to cargo within temperature controlled / reefer containers. It is warranted that the refrigerating equipment and ancillary equipment has been serviced and maintained by approved agents of the manufacturer of the refrigerating equipment within no less than 3 (three) months prior to the loss occurring, failing which no cover exists for any losses relating to deterioration of refrigerated goods.
- (b) Second-hand goods, goods transported other than in a fully enclosed / fully tarpaulined vehicle: Against the risk of fire, collision of conveying vehicle, collision of the load or container with external objects, overturning of the conveying vehicle, theft following an insured peril, and hijacking as defined herein.
- (c) Livestock
Cover is restricted to death or humane killing within 24 (twenty four) hours of, and as a direct result of the following defined events:
- i. Fire.
 - ii. Overturning of the conveyance
 - iii. Collision of the conveyance and/or the insured cargo with an object external to itself and the conveyance.
 - iv. Theft following an insured peril.
 - v. Bolting following an insured peril.
 - vi. Hijacking of the conveyance.

2. If stated in the policy schedule as being fire, collision, overturning, theft following and hijack in the cover summary, cover applicable in terms of this section will be:

Against the risk of fire, collision of conveying vehicle, collision of the load or container with external objects, overturning of the conveying vehicle, theft following an insured peril and hijacking as defined herein.

3. If stated in the policy schedule as being limited to any specific perils only in the cover summary, cover applicable in terms of this section will be limited to these specified perils only, as these specified perils are interpreted in terms of the above.

SPECIFIC EXCLUSIONS AND WARRANTIES

The Company shall not be liable to pay for:

- 1. Loss or damage attributable to the willful misconduct of the Insured.
- 2. Ordinary loss in weight or volume, ordinary wear and tear or loss or damage caused by inherent vice or nature of the subject matter insured.
- 3. Loss or damage caused by insufficiency or unsuitability of packing, covering or securing of the subject matter insured in or on the conveying vehicle.
- 4. Loss or damage caused by delay, even though the delay be caused by a risk insured against.
- 5. Loss or damage caused by capture, seizure, arrest, restraint or detainment (hijacking excepted) of the subject matter insured.
- 6. Consequential loss, including but not limited to loss of profits, penalties, guarantees and extraordinary reproduction costs.
- 7. Loss or damage to any shipping container, tarpaulins, nets, straps and chains unless otherwise stipulated in the policy schedule.
- 8. Loss or damage whilst the subject matter insured is in the care of any subcontractor or person other than the Insured named in the policy schedule, unless otherwise stipulated in the policy schedule.
- 9. Loss or damage arising from the dishonesty of any partner, member, director or employee of the Insured whether acting alone or in collusion with others.
- 10. Unexplained losses/shortages.

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11. Contamination of the Subject Matter by residue or remains of previously conveyed loads.
12. Water damage including rust, oxidation and/or discoloration where protective coverings, including tarpaulins, were not in a sound and water repellent condition or resulting from lack of or inadequate protective covers.
13. Insolvency or financial default of the Insured or of the Insured's agents or sub-contractors.
14. Non-compliance with any term, condition or warranty herein contained.

SPECIFIC CONDITIONS

1. Subject Matter Insured

Goods conveyed by the Insured on behalf of their clients (including all packaging materials when necessary for commercial purposes) as stipulated in the policy schedule. Excluding ropes, chains, tarpaulins, etc., unless stipulated in the policy schedule.

2. Policy Limit

As per policy schedule (inclusive of VAT) any one vehicle per transit unless otherwise declared to and accepted by the Company prior to loss. Where separate limits are stipulated on the policy schedule divided into separate classifications (example: into commodity types), these limits are not cumulative, other than in the case of cover for tarpaulins, shipping containers (boxes themselves) where cover will be additional to maximum policy limits.

3. Means of Conveyance

Cover is limited to goods entrusted to the Insured, whilst these are being conveyed on vehicles (and any trailers attached thereto at time of loss), as stipulated in the policy schedule by registration number, or as may be otherwise stipulated in the policy schedule.

4. Territorial Limits

From attachment of risk until termination of risk within the territories as stipulated in the policy schedule.

5. Excess Clause

Claims recoverable under this section shall be subject to the following excesses:

All losses other than hijacking as defined herein, will be subject to either the amount stated as the "minimum" in the policy schedule, or the percentage in the policy schedule applied to the gross claim including VAT, whichever is the greater for each claim, event or occurrence.

All hijacking losses as defined herein, will be subject to either the amount stated as the "minimum" in the policy schedule, or the percentage in the policy schedule applied to the gross value including VAT, of all goods being transported on the vehicle at the time of loss, whichever is the greater for each claim, event or occurrence.

6. Basis of Valuation

Indemnification under this section is limited to cost price of goods to the owner of the goods or replacement value or market value or declared value whichever is the least, at the time of loss.

Fresh produce: the average market value for the commodity at the market of intended sale on the day of the intended sale, less agents commission, less any costs not incurred or, if pre-sold, suppliers invoice value, less any costs not incurred; In the case of goods being transported for a client for the purpose of an interbranch transfer, and no invoice document exists substantiating value, the catalogue / stock price at time of loss shall be used, with the onus of proof of this falling on the client.

7. Duration of Cover and Temporary Storage

Cover attaches once the goods have been loaded on the conveying vehicle and terminates upon offloading. Cover is further extended to include the loading and the offloading process where this element of the risk is physically done by the Insured's employees and under the direct control and supervision of the Insured.

Cover is extended to include incidental storage in the ordinary course of transit provided that such storage does not exceed 72 (seventy two) hours and limited to the maximum sum insured as stipulated in the policy schedule. It is a warranty that any such storage will be within a fully enclosed, secured, locked and guarded storage premises.

If the policy schedule states All risks cover, then theft cover whilst in storage is subject to there having been forcible and violent entry into the locked storage premises.

This section does not cover rigging or maneuvering of any insured cargo before loading or after off- loading.

8. Plant, Machinery & Equipment

In the event of loss / damage to second hand machinery equipment, the amount recoverable hereunder shall not exceed such proportion of the cost of replacing the part lost / damaged, as the Insured value bears to the value of new machinery / equipment. Excluding mechanical, electrical, electronic derangement.

9. Pairs & Sets Clause

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In the event of loss of or damage to any articles forming part of a pair or set, the Company's liability shall be limited to the value of such parts which may be lost or damaged, without reference to any special value which such articles shall have as part of such pair or set, nor shall it exceed the proportionate part of the insured value of such a pair or set.

10. Cutting Clause

In the event of damage occurring to the insured cargo, provided that it is practicable to use the sound portion or portions for the purpose for which they were originally intended, the Company may pay only for the proportionate value(s) of the damaged part(s) plus the cost of cutting off, less their salvage value if any.

11. Labels

In the event of damage being caused to labels, capsules or wrappers, the Company, if liable in terms of this section, shall not be liable for more than an amount sufficient to pay the cost of new labels, capsules or wrappers and the cost of reconditioning the goods, but in no event shall the Company be liable for more than the value of the damaged Subject Matter.

12. Salvage disposal

In the event of loss or damage occurring which is recoverable under this section, the Insured shall take all reasonable steps to mitigate the loss and shall preserve all recoverable salvage. The Company shall with the prior approval of the owner of the Subject Matter, be entitled to sell the salvage at the best possible price in order to mitigate the loss. Should the owner not approve the sale of the salvage by the Company, the Company will nevertheless be entitled to reduce the claim by an amount equivalent to the reasonable salvage value as could have been obtained by the Company or its agents.

Any claim for damaged goods resulting from a load shift shall be subject to the terms, conditions and exclusions contained in Section 1 and Section 2.

The cover under this clause will only be applicable where the claim is placed via the Arrow 24 Hour call Centre at the time of incident.

13. Repatriation (outside RSA borders)

This section covers the Subject Matter whilst on or in specified conveyances whilst travelling outside the borders of RSA but within the territorial limits as stated in the policy schedule.

If, following a recoverable claim, the Subject Matter is not returned to RSA and it is declared by the Company to be a constructive total loss outside RSA then the Company will settle the claim in terms of the basis of valuation less:

the first amount payable (excess); and

the estimated value of salvage which would have been realised in RSA.

On payment of the above, the salvage will belong to the Insured or owners of the Subject Matter, as the case may be.

Cover in terms of the section will cease if the insured cargo is abandoned outside RSA.

14. Brand Names or Trademarks

In the case of damage to the Subject Matter bearing a brand or trade mark, the sale of which carries or implies the guarantee of the supplier or owner, if required by the Insured or the owner of the Subject Matter, the value of such salvage shall be determined only after the removal of brand or trademarks and if applicable, repacking into plain containers.

EXTENSIONS

1. Debris Removal

If stated in the policy schedule as included in the applicable section, this insurance is extended to cover, in addition to any other amount recoverable under this insurance, reasonable extra expenses (up to the limits stated in the policy schedule) legally incurred by the Insured for the removal and disposal of debris of the subject matter insured, or part thereof, by reason of damage thereto caused by an insured risk. Excluding absolutely any expenses incurred for the clean-up of pollutants and rehabilitation of the environment as a result of discharge, dispersal, release, seepage, migration, escape, or contamination, or any threat or liability thereof.

2. Container Cover

Included under this insurance is cover for loss of and / or damage to any form of shipping containers including reefer and tanktainers whilst being transported and / or used to contain the insured load. Cover for containers will be for the same extent of cover as provided under the Defined Events clause 2.

Indemnity under this extension is limited to the settlement value for the lost or damaged shipping container(s) or the Limit specified in the policy schedule, whichever is the lesser.

3. Driver Fidelity

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If stated in the policy schedule, this section is extended to cover loss of goods arising through theft and or hijacking in instances where there is involvement of the driver / employee. However, this extension does not cover the involvement of the owners, partners or directors of the Company.

4. Tarpaulins, nets, straps and chains

If stated in the policy schedule as included in the applicable section, this insurance is extended to cover in addition to any other amount recoverable under this insurance (up to the limits stated in the policy schedule) loss of and / or damage to tarpaulins, nets, straps and chains owned and used by the Insured, which were on the conveying vehicle noted in the policy schedule at the time of loss, against the risk of fire, collision of the conveying vehicle, overturning of the conveying vehicle, theft following an insured peril and hijacking as defined herein.

5. Overloading

If stated in the policy schedule as included in the applicable section, this insurance is extended to cover overloading should the total mass not exceed 5% of the legal maximum permissible weight that such conveyance is licensed to carry.

6. Salvaging and Recovery Costs

If stated in the policy schedule as included in the applicable section, this insurance is extended to cover in addition to any other amount recoverable under this section (up to the limits stated in the policy schedule) expenses reasonably incurred by the Insured for sending an alternative vehicle to the accident scene, reloading, salvaging, sorting and repackaging costs. This is subject to the original cause of the loss being an insured event under the section.

Alternative Conveyance Following a Breakdown or Related Problem

It is agreed that in the event of a breakdown of the conveying vehicle during transit or in, for any reason beyond the control of the Insured, the insured load is endangered, nothing contained in this section shall debar the use of any other goods vehicle to assist with the completion of the transit and the insurance afforded shall not be affected thereby, provided any risk management warranties applicable in terms of this section are complied with.

7. Fire extinguishing charges extension

If the subject Matter described in the policy schedule is lost or damaged by fire whilst in course of a transit insured by this section, the Company will in addition to indemnifying the Insured for such loss or damage, pay for the cost of extinguishing or attempting to extinguish such fire provided that the maximum amount payable under this extension shall not exceed R10 000.00.

8. Load Shift

The Company will pay for the costs (up to the limits stated in the policy schedule) of re-packing the goods conveyed in the event that such goods have shifted from their original position at time of departure of the load, and such shifting places the load in jeopardy of being damaged or rejected at the place of final destination.

Any claim for damaged goods resulting from a load shift shall be subject to the terms, conditions and exclusions contained in Section 1 and Section 2.

The cover under this clause will only be applicable where the claim is placed via the Arrow 24 Hour call centre at the time of incident.

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

Subject otherwise to the terms, conditions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- i. civil commotion, riot, strike or lockout;
- ii. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above;

Provided that this extension does not cover:

- (a) loss or damage occurring in the Republic of South Africa and Namibia;
- (b) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- (c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority;
- (e) loss or damage related to or caused by any occurrence referred to in General Exception 1. War and Civil War exclusion of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

10. Prevention of Loss Extension

With the Company's prior agreement and subject to the use of the 24 hour Arrow Assist line, and subject to the limits stated in the

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policy schedule, the Company shall, in addition to any loss or damage recoverable under this section, cover the costs properly and reasonably incurred in pursuance of measures taken to prevent losses.

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OPTIONAL EXTENSIONS (Applicable to Section – Commercial Motor)

THEFT / HIJACK EXCESS REDUCER

In the event of the occurrence of a loss as defined under Section 1 Sub-Section A of the policy arising out of the theft of an entire vehicle or parts therefrom, the Company will pay to the Insured the amount of the Excess paid or payable by the Insured in respect of such loss for any vehicle described in the policy schedule.

Provided that:

- a) Payment has been made under Section 1 of this policy
- b) The Company shall not be liable for the amount stated in the policy schedule as the excess payable under this extension
- c) The maximum amount payable by the Company shall not exceed the sum insured stated in the policy schedule
- d) No amount shall be payable to the Insured until the expiry of a period of four consecutive weeks from the date of the loss in the event of a theft or hijack of the entire vehicle
- e) In the event of the vehicle being recovered after any payment is made to the Insured in terms of this extension, the Company shall be entitled to a rateable proportion of the salvage

OWN DAMAGE EXCESS REDUCER

In the event of the occurrence of a loss as defined under Section 1 Sub-Section A of this policy, other than theft or hijack, windscreen or glass damage, the Company will pay to the Insured the amount of the Excess paid or payable by the Insured in respect of such loss for any insured vehicle described in the policy schedule.

Provided that:

- a) The Company has accepted liability under Section 1 Sub-Section A of this policy
- b) The Company shall not be liable for the amount stated in the policy schedule as the excess payable under this extension
- c) The maximum amount payable by the Company shall not exceed the sum insured stated in the policy schedule.

THIRD PARTY EXCESS REDUCER

The Company will reimburse the Insured for the excess deducted from any claim paid by the Company under Section 1 Sub-Section B.

Provided that:

- a) The Company has accepted liability under Section 1 Sub-Section A of this policy
- b) The Company shall not be liable for the amount stated in the policy schedule as the excess payable under this extension
- c) The maximum amount payable by the Company shall not exceed the sum insured stated in the policy schedule.

LOSS OF USE

In the event of the occurrence of a loss as defined under Section 1 Sub-Section A of the underlying policy resulting in the Insured being described of the use of the insured vehicle, the Company will pay to the Insured the weekly benefit stated in the policy schedule for each week normally worked by the Insured for which the Insured is deprived of the use of the insured vehicle commencing from the date of the authorisation of the repairs by the Company or the receipt by the Company of the agreement of loss signed by the Insured.

Provided that:

- a) The Company shall not be liable for the Excess Period stated in the policy schedule
- b) The maximum amount payable by the Company shall not exceed the sum insured stated in the policy schedule
- c) All benefit under this extension shall cease on the day that the repairs are completed. In the event of any dispute as to the completion date of the repairs the Company reserves the right to appoint an independent assessor whose ruling in this regard will be binding on both parties
- d) In the event that a vehicle has been declared a total loss, or has been stolen or hijacked and not recovered, then cover will cease on the date on which the original agreement of loss is tendered. The maximum period of cover is as stated on the policy schedule but shall not exceed 6 weeks from date of loss for total loss settlements. In the event that the Insured delays the submission of claims documents, or in any other way delay the normal claims handling process, then the Company reserves the right to apply such delay to the calculation of the period of cover due to the Insured

GLASS

If stipulated in policy schedule, the accidental damage or loss of the glass of the vehicle subject to:

- a) No other damage having been caused to the vehicle
- b) The glass excess (as stated in the policy schedule)

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OPTIONAL EXTENSIONS (Applicable to Section – Goods In Transit)

THEFT / HIJACK EXCESS REDUCER

In the event of the occurrence of a loss as defined under Section 2 of the policy arising out of the Theft of an entire load or part thereof, the Company will pay to the Insured the amount of the Excess paid or payable by the Insured in respect of such loss for any vehicle described in the policy schedule.

Provided that:

- a) Payment has been made under Section 2 of this policy;
- b) The Company shall not be liable for the Excess stated under this extension in the policy schedule;
- c) The maximum amount payable by the Company shall not exceed the sum insured stated in the policy schedule;
- d) In the event of the goods being recovered after any payment is made to the Insured in terms of this extension, the Company shall be entitled to a rateable proportion of the salvage.

ALL OTHER LOSSES EXCESS REDUCER

In the event of the occurrence of a loss as defined under Section 2 of this policy, other than theft or hijack, the Company will pay to the Insured the amount of the Excess paid or payable by the Insured in respect of such loss for any insured goods described in the policy schedule.

Provided that:

- a) Payment has been made under Section 2 of this policy;
- b) The Company shall not be liable for the amount stated in the policy schedule as the excess payable under this extension;
- c) The maximum amount payable by the Company shall not exceed the sum insured stated in the policy schedule.

Arrow Underwriting Managers (Pty) Ltd, Reg No: 2014/134814/07, FSP No: 45623

Directors: P de Smidt-CEO (T Allen-Alternate), G Carstensen-Marketing

Insurance products are underwritten by Centriq Insurance Company Limited ("Centriq"), a licensed non-life insurer and authorised financial services provider, FSP 3417 and Reg No: 1998/007558/06, VAT No: 4230187124

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