



FARMERS COMBINED INSURANCE POLICY

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SECTION 1: YOUR FARMERS COMBINED INSURANCE POLICY

1. Your Farmers Combined Insurance Policy Contract

This policy is an insurance contract between you and Xenturion Insurance Company Limited (also referred to as 'the insurer' 'us' 'we' and 'our' in this contract). We will pay all valid claims if you comply with the terms and conditions of this policy.

There are events and property that are not covered, or limits imposed on the amounts payable.

2. The information used to make up this Policy Contract

Consist of **The Policy Terms and Conditions**, **The Policy Schedule** and your **Proposal Information**.

The information contained in these documents form the entire contract between you and us. Only the promises and statements contained in these documents make up this policy contract. The promises or statements may be made by you or us.

3. The policy terms and conditions (this document)

Details of your rights and duties as well as our rights and duties, how to claim and all of the events and items that are and are not covered are included in this document.

4. The policy schedule

The policy schedule contains the information that is particular to you. It includes the type of cover that you have selected, the amounts you are covered for, the premiums you must pay and the first amounts payable by you in the event of a claim. It also contains details of the extensions that are applicable to each section and their limits as well as any specific conditions or requirements that have been imposed by us that are not included in the policy document.

If there are any changes made to your cover, they will be set out on an updated policy schedule that will be sent to you.

5. Your proposal information

This is the information that is given to us by you when you requested cover. It will be information that is gathered by a voice logged conversation and confirmed in writing by you and will be used to calculate the premiums to be charged to you as well as any specific requirements or conditions regarding the provision of cover by the insurer. *(for example: the requirement for additional security against lightning strikes on a building or the contents, or an alarm system against theft from your property, or a satellite tracking device to be installed in your motor vehicle).*

SECTION 2: DEFINITIONS AND EXPLANATIONS FOR INTERPRETION OF YOUR POLICY

DEFINITIONS

The words highlighted in *italics* below on the left have their meaning given on their right-hand side. There are also definitions in each section that are specific to the types of cover.

You/Insured: *You* or your spouse and immediate family who live with you and who are financially dependent on you and any dependents that you are legally responsible for named on the schedule or in this policy as being 'The Insured' or 'you' of the Personal Sections of the policy. ('Spouse' means a person who is your partner in any marriage, civil union or customary union recognized by South African law or is living with you in a relationship that is intended to be permanent).

Insured: the person or persons, company or group of companies or entity named on the schedule or in this policy as being 'The Insured' or 'you' of the Farming Cover Sections of the policy.

Insurer: Xenturion Insurance Company Limited (also referred to as 'the insurer' 'us' 'we' and 'our' in this contract).

Sum Insured, Limit of Liability or Maximum amount of cover: The amount shown in the policy or on the schedule that will be the most paid out in the event of a valid claim.

Accident or Accidental: An unplanned and unfortunate event caused by external, visible and violent means that might result in damage, loss, injury or death.

Period of Cover: The days that cover is provided for as shown on the schedule.

Start date: The day that the policy or specific section of cover begins for the first time that is shown on the schedule.

Anniversary date: The date 12 months after the start date of the policy unless the schedule states differently.

Excess or First Amount Payable: The amount shown on the schedule that you are responsible for paying towards any claim.

Third Party: Any person other than *You* (as defined above).

Warrant: Guarantee, facts or conditions that can be relied on as true.

Territory: Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Zambia, Malawi and Mozambique.

Unoccupied: When all residents are away from insured property named on the schedule temporarily but have the intention to return.

Consequential loss: Loss or damage that arises as a result of a covered event.

Act of violence: Murder, assault, robbery, rape, hijacking, armed hold up, violent theft or attempted theft.

Sasria SOC Ltd: Special Risks Insurance company set up by the South African government to cover loss or damage to property from riots, strikes, public disorder, labour disturbances, civil action, lockouts or similar events that occur in South Africa only.

GUIDELINES TO INTERPRETATION

1. Singular and plural

Words in the singular include the plural. Words in the plural include the singular.

2. Headings

Headings are aids to reading and understanding and are not terms themselves.

3. Examples

Examples are aids to understanding the meaning of terms and conditions. They are not terms or conditions themselves. The terms or conditions do not apply only to the situations and facts given in the examples or to similar situations and facts.

4. Calculating days

Where any number of days is given those days are counted to include the first and last day.

5. Legal responsibility

A legal responsibility (liability) is a duty imposed on someone to do something, whether imposed by the law or created by agreement.

6. Including

The word 'including' must be interpreted as introducing an example list and not limiting the list or excluding additions to it.

7. Reference to laws

When there is a reference to a law or to a section of a law the meaning shall be that law or section of that law as amended, repealed or replaced.

8. Forms of words

Words used in one form have their corresponding meaning when used in another form. For example: 'to claim', 'claiming' and 'claimed' have the same meaning; 'you', 'yours' and 'your' have the same meaning and 'we', 'us' and 'our' have the same meaning.

9. May, may not and might

The word 'may' means 'is entitled to' or 'are entitled to'. 'May not' means 'is not entitled to' or 'are not entitled to'. The word 'might' expresses possibility.

SECTION 3: GENERAL EXCEPTIONS, CONDITIONS AND PROVISIONS OF YOUR POLICY

Subject to the terms, exceptions, conditions and provisions of this policy and conditional upon the advance payment of your premium the insurer will compensate you, after confirming receipt of the premium, by payment, replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance up to the sums insured, limits of indemnity, compensation and other specified amounts on the schedule less any excess payable by you.

Specific exceptions, conditions and provisions shall override general exceptions, conditions and provisions.

GENERAL EXCEPTIONS

1. War, riot and terrorism

A. This policy does not cover loss of or damage to property, death or bodily injury or liability directly or indirectly related to or caused by:

- (i) Civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the afore-going;
- (ii) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
- (iii) Mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege or
- (iv) Insurrection, rebellion or revolution;
- (v) Any act (whether on behalf of any organization, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence
- (vi) Any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof;
- (vii) Any attempt to perform any act referred to in clause (vi) or (v) above;
The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause A (i), (ii), (iii), (iv), (v) or (vi) above.
 - a. If the insurer alleges that, by reason of clause A (i), (ii), (iii) (iv), (v), (vi) or (vii) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary rests with you.

B. This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.

C. Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

D. For the purpose of this General Exception 1(C) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organization or government or any other person or body of persons, committed for political, religious, personal, ethnic or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

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

2. Nuclear risks

Except as regards the Fraud, and Personal Accident Sections, this policy does not cover any legal liability loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to, by or arising from:

- i) Ionizing radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- ii) Nuclear material, nuclear fission or fusion, nuclear radiation;
- iii) Nuclear explosives or any nuclear weapon;
- iv) Nuclear waste in any form;

Regardless of any other cause or event contributing concurrently or in any other sequence to the loss. For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.

3. Asbestos exclusion (applicable to the Personal Legal Liability, Extended Personal Legal Liability, Legal Liability, Employers Liability and Extended Legal Liability Sections)

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

4. Computer losses

4.1 General Exception applicable to all Sections of this policy insuring damage to property or the consequences of damage to property or any liability.

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover:

- a) Loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;
- b) Any legal liability of whatsoever nature
- c) Any consequential loss
Directly or indirectly caused by or contributed to by, or consisting of or arising from the incapacity or failure of any computer, correctly or at all:
 - i) To treat any date as the correct date or true calendar date, or correctly or appropriately to recognize, manipulate, interpret, process, store, receive or to respond to any data or information, or to carry out any command or instruction, in regard to or in connection with any such date; or
 - ii) To capture, save, retain or to process any information or code as a result of the operation of any command which has been programmed into any computer, being a command, which causes the loss of data or the inability to capture, save, retain or correctly to process such data in regard to or in connection with any such date; or
 - iii) To capture, save, retain or to process any information or code due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programs; or
 - iv) To capture, save, retain or to process any data as a result of the action of any computer virus, or other corrupting, harmful or otherwise unauthorized code or instruction including any Trojan horse, time or logic bomb or worm or any other destructive or disruptive code, media or program or interference.
 - v) A computer includes any computer, data processing equipment, microchip, integrated circuit or similar device in computer or non-computer equipment or any computer software, tools, operating system or any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above, whether the property of the insured or not.

5. Special extension to General Exception 4

- A. Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the Glass, Employers Liability, Personal Accident or Motor Section is not excluded by this General Exception.

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

1. Storm, wind, water, hail or snow excluding damage to property:
 - 1.1 Arising from its undergoing any process necessarily involving the use or application of water;
 - 1.2 Caused by tidal wave originating from earthquake or volcanic eruption;
 - 1.3 In the underground workings of any mine;
 - 1.4 In the open (other than buildings, structures and plant designed to exist or operate in the open) unless specifically insured as a separate item on the schedule;
 - 1.5 In any structure not completely roofed unless specifically insured as a separate item on the schedule
 - 1.6 Being retaining walls unless specifically insured as a separate item on the schedule;
2. Aircraft and other aerial devices or articles dropped therefrom;
3. Impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.
4. These special perils do not cover wear and tear or gradual deterioration.

- B. General Exception 4 also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in Special Extension A above.
- C. This Special Extension will not insure any loss, destruction, damage or consequential loss if it would not have been insured in the absence of this Computer Losses General Exception and this Special Extension.
- D. This Special Extension shall not apply to any Public Liability Indemnity.

6. Coronavirus and Coronavirus disease

This policy does not cover any loss directly or indirectly caused by, happening through, in consequence of or resulting from, in connection with or contributed to by;

- 1. Any Coronavirus or Coronavirus disease including but not limited to SARS-CoV2 / COVID-19, Avian Influenza, Severe Acute Respiratory Syndrome Coronavirus (SARS-CoV).
- 2. any mutation or variation of 1. above.
- 3. any infectious epidemic/pandemic (if classified either way by the appropriate national or international body/agency) which leads to:
 - a. the imposition of quarantine or restriction in movement of people or animals by the national or international body or agency; and/or
 - b. any travel advisory or warning being issued by a national or international body or agency.
- 4. arising from any fear or threat (whether actual or perceived) of the above.
- 5. any action taken in controlling, preventing, suppressing or in any way relating to any outbreak of the above.

If the Insurer alleges that by reason of this exclusion loss is not covered by this policy the burden of proving the contrary shall rest on the Insured.

GENERAL CONDITIONS

Subject to the provisions of Section 55 of the Short-Term Insurance Act No. 53 of 1998 (as amended).

1. Misrepresentation, misdescription and non-disclosure

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

2. Other insurance

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

3. Cancellation

3.1 By the Insurer

This policy or any Section of it may be cancelled at any time by the insurer giving 30 (thirty) days' notice in writing to you and you shall be entitled to claim a pro-rata proportion of your premium back for the remainder of the period of insurance from the date of cancellation, subject to General Condition 4.

3.2 By you the insured

This policy or any Section of it may be cancelled by you giving immediate notice to the insurer at any time. The insurer shall be entitled to retain the customary short period or minimum premium for the period that the policy or Section has been in force.

4. Premium payment

4.1 Premiums are to be paid in advance

All premiums are to be paid in advance. If premium payment is to be made by monthly debit order the strike dates to your bank account that can be selected are the 1st, 10th or the 15th of every month. If the debit order date falls on a weekend or a public holiday we will debit your account on the next working day. If premium payment is to be made annually you may pay it by electronic funds transfer (EFT) within 30 days of the anniversary date failing which the policy will be cancelled.

4.2 Unpaid premiums

- i) **If you cancel or stop payment** on your debit order, your cover will automatically end on the last day of the month that we received premium for
- ii) **If the debit is returned due to insufficient funds**, we may allow you to make immediate payment of the outstanding premium by electronic funds transfer to our nominated bank account or, with mutual consent, collect the outstanding premium the following month together with the new month's premium. If we still cannot collect this premium, the cover will end on the last day of the month that we received a premium for.

5. Adjustment of premium

If the premium for any section of this policy has been calculated on estimated figures, the insurer will ask you for actual figures for the past period of insurance cover. (examples could be: stock values for the Fire section, gross profit for the Business Interruption section or turnover for Products liability cover on the Liability section) and any other information that will enable the insurer to calculate the actual premium for the past period of insurance. Any difference shall be paid by or to you as the case may be.

6. Prevention of Loss

You are required to take all reasonable steps and precautions to prevent accidents or losses. You are also required to adhere to all of the laws, regulations, by-laws and rules that apply to your business or any other matter for which cover is provided in terms of this policy. Failure to comply on your part shall entitle the insurer to reject a claim if your failure is material to the claim.

6. Prevention of Loss

You are required to take all reasonable steps and precautions to prevent accidents or losses. You are also required to adhere to all of the laws, regulations, by-laws and rules that apply to your business or any other matter for which cover is provided in terms of this policy. Failure to comply on your part shall entitle the insurer to reject a claim if your failure is material to the claim.

7. Claims

7.1 If an event occurs which may result in a claim under this policy, you are required to:

- i) Inform the insurer of the event as soon as reasonably possible and also tell them if there is any other insurance cover in place which could cover the same event.
- ii) If the event involves theft or any other criminal activity you are to inform the police of the event as soon as is reasonably possible and to take all practical steps to discover who the guilty party is and to recover the stolen or lost property.
- iii) Submit, in writing, full details of the event to the insurer within 30 days after the event (or such further time as the insurer may allow) and provide them with any proof, information and sworn declarations that they may require to deal with your claim. Also, if you receive any notice of a claim against you, summons or other legal process in connection with this event you must forward it to the insurer immediately

7.2 Unless the event leads to a claim under the Business Interruption, fidelity, stated benefits or group personal accident sections or the personal accident (assault) extension of the money section, the insurer will not pay any claim if 24 months have expired from the date of the event leading to the claim unless the claim is the subject of a pending legal action or is a claim in respect of your legal liability to a third party. The insurer may also allow an extension.

7.3 No claim shall be payable unless you claim payment by serving legal process on the insurer within 6 months of the date of rejection of your claim by the insurer and you continue with the proceedings to finality

7.4 If the property, or any part of it, that was the subject of the claim is located after the insurer has paid your claim you are required to provide all assistance in the identification and physical recovery of the property if requested by the insurer. The insurer will pay for your reasonable expenses to provide this assistance. However, if you do not provide the

requested assistance you will immediately become liable to repay to the insurer all amounts that they have paid in respect of the claim.

8. Insurer's rights after an event

On the happening of any event in respect of which a claim is or may be made under this policy, the insurer and every authorized by them may, without incurring any liability and without diminishing the right of the insurer to rely on 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 your permission to the insurers to do so however you shall not be entitled to abandon any property to the insurer whether they have taken possession of the property or not

For example:

You are involved in an accident and call a towing service to have your vehicle removed to a place of safety you cannot assume that we have accepted the claim. Our usual claims procedures must take place before liability for the claim is admitted by us. Until then you remain responsible for your vehicle

- ii) In your name take over and conduct the defence or settlement of any claim and prosecute, 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 you without the written consent of the insurer.

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 Insurers discretion, from the date of any fraudulent conduct and all premiums paid in respect of such policy shall be forfeited from the date of the fraudulent conduct:

9.1 If any claim or part thereof under this policy is in any way fraudulent or if fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefit under this policy happens as a result of your intentional conduct or that of any person acting on your behalf or with your connivance; or

9.2 If any fraudulent information and/or document, whether created by you or any other person, is provided to the insurer by you, or anyone acting on your behalf or with your connivance to substantiate or support any claim under this policy, whether or not the event in itself is fraudulent; or

9.3 If the quantum of any claim is deliberately exaggerated by you or anyone acting on your behalf or with your connivance, for any reason whatsoever, whether or not the event in itself is fraudulent.

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

10. Reinstatement of cover after claim (not applicable to stock on a declaration basis nor to any section where it is stated to be not applicable)

In consideration of sums insured not being reduced where appropriate by the amount of any claim, you shall have to pay additional premium on the amount of the claim from the date of the event or from the date of reinstatement or replacement (whichever is later) to expiry of the period of insurance.

11. Breach of conditions

The conditions of this policy and any section of it shall apply individually to each of the risks insured and not collectively to them so that any breach shall render voidable the section only in respect of the risk to which the breach applies.

12. 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 to any claim to such person, the intention being that you shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to the insurer

13. Value-added Tax (VAT)

13.1 Definition

VAT shall mean the amount of value-added tax payable by the insured or the insurer to the revenue authorities in the Republic of South Africa.

13.2 VAT-inclusive condition

It is understood and agreed that the monetary amounts as reflected in the sums insured and/or limits of indemnity shall be applied to the indemnity or amounts payable in terms of this policy and to which sums and terms, conditions, provisions and limitations of this policy shall apply and value-added tax at the current rate as promulgated in legislation relating thereto.

Subject to such sums/limits of indemnity being adequate to embrace the amounts described under 13.1 and 13.2 above, the insurer will, to the extent that you are accountable to the tax authorities for value-added tax in respect of any payment in terms of this policy include the amount of such tax in the final settlement of any claim in terms of the policy, provided that the total amount payable for any defined event and the value-added tax related to the payment shall not exceed the sum insured/limit of indemnity set against the event. In the event of a claim occurring where you are required to pay an excess or first amount payable this amount shall also include value-added tax. In addition, in the event of a change in the rate of value-added tax during the period of insurance the sums insured, limits of indemnity and premiums shall be adjusted automatically. 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 to any claim to such person, the intention being that you shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to the insurer.

14. Consent to disclose information

- 14.1 You acknowledge that sharing of information for underwriting and claims purposes is in the public interest as it will enable insurers to underwrite policies and assess risks fairly in addition to reducing the incidence of fraudulent claims as well as limiting premiums.
- 14.2 You and anyone that you represent waive any right to privacy with regard to underwriting and claims information in respect of any insurance policy or claims made or lodged by yourselves.
- 14.3 You consent to such information being stored in a shared database and being used as set out above.
- 14.4 You consent to such information being disclosed to any other insurer or its agent
- 14.5 You consent to any underwriting information being verified against legally recognized sources or databases.
- 14.6 You agree that this consent clause will survive the termination of the policy, including its cancellation or lapsing, for whatever reason.

15. Interest on payments

No interest will be payable by the insurer on any amount due in terms of the policy unless ordered to by a competent Court of Law.

16. Law and jurisdiction

Any dispute between yourself and the insurers in connection with or arising out of the policy shall be decided exclusively in accordance with the law of the Republic of South Africa by a competent court of South Africa. You undertake that you will not institute any action against the insurers nor bring joint proceedings against the insurers in the court of any country other than the Republic of South Africa.

17. Change of interest

The cover provided by this policy shall be void with respect to any item insured: to which any alteration after the commencement of this insurance takes place; whereby your interest ceases by will or operation of law; unless notice has been given to the insurer in writing as soon as practicable after such alteration and an additional premium paid if required.

GENERAL PROVISIONS

A. Claims preparation costs

The insurance by each section of this policy is extended to include costs reasonably incurred by the you in producing and certifying any particulars or details required by the company in terms of general condition 7 or to substantiate the amount of any claim, provided that the liability of the insurer for such costs in respect of any one claim shall not exceed the sum insured or limit stated in the policy schedule for each section.

B. Payments on account

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

C. First amount payable

Unless specifically stated in any section, the amount payable 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.

D. Members

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

E. Liability under more than one section

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

F. Meaning of words

The schedules and any endorsements noted on them and the policy wording shall be read together and any word or expression which has been given a specific meaning in any part of them shall have the same meaning wherever it appears.

G. Premium payment

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

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

H. Holding covered

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

I. Schedule sums insured blank

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

- i) Left blank or has no monetary amount stipulated against it
- ii) Reflected as nil or not applicable or not covered or no indemnity extended. This means the defined event or circumstance shown in the schedule is not insured by the policy.

J. Security firms

If an employee of a security firm employed by you under a contract causes loss or damage, the insurer agrees, if in terms of the said contract that you may not claim against the said security firm, not to exercise their rights of recourse against the said security firm. The insurer shall not raise as a defence to any valid claim submitted under any Section or Sub-Section of this policy that the insurers rights have been prejudiced by the terms of any contract entered into between yourself and any security provider relating to the protection of your property.

SECTION 4: FARMHOUSE BUILDINGS

DEFINITIONS AND EXPLANATIONS SPECIFIC TO THIS SECTION

Whilst the following definitions relate to this section specifically, they must also be read in conjunction with the general Definitions of this policy.

Address of buildings means the address shown on the schedule under **Farmhouse Buildings Section**.

House means the residential homes at the address of buildings shown on the schedule and noted on the site plan of the farm to be lodged with us, to form part of this insurance contract, at the inception of this policy and updated every anniversary and which includes the following:

- 1) Garages and fixed carports,
- 2) Domestic workers living quarters,
- 3) Tool sheds,
- 4) Brick, tar, stone (not gravel), concrete and paved driveways, paths and patios,
- 5) Walls, metal palisades, gates and fences but not hedges,
- 6) Swimming pool structure or fabric, including safety nets and covers, but not portable swimming pools,
- 7) Spa baths, Jacuzzis and sauna structure or fabric, including safety nets and covers,
- 8) Fixed machinery of swimming pools, spa baths, Jacuzzis, and saunas,
- 9) Tennis and squash courts,
- 10) Water features and garden ornaments,
- 11) Electric gates and garage doors,
- 12) Geysers, fixed water tanks, water pumping machinery and borehole motors, irrigation systems, filtration systems used only, for filtering or supplying water for domestic purposes,
- 13) Aerials, satellite dishes, solar panels, lightning conductors and security systems fixed to the home,
- 14) Fixtures and fittings including built in furniture and fitted carpets.

Wall Construction and **Roof Construction** shown on the schedule will have the following meanings:

Wall Construction:

- 1) If described as Standard Construction it means built of brick, stone or concrete
- 2) If described as Non-Standard Construction it means built of materials other than brick, stone or concrete

Roof Construction:

- 3) will be described as slate, tile, concrete, asbestos, metal or thatch.

Please note that if your house has a roof area that includes thatch which exceeds 25% of the roof area or a construction with a thatch roof, within 5 meters of the main residence, which exceeds 25% of the roof area. The roof construction of the main dwelling shall be deemed to be thatch.

EVENTS THAT WE COVER

1. Fire, lightning, earthquake or explosion.
2. Storm, wind, water, flood, hail or snow.
3. Impact by trees, vehicles, aircraft and other aerial devices and articles dropped from them.
4. Impact by animals including wild animals that live freely in their natural environment.
5. Breaking or collapsing of radio or television aerials, masts and satellite dishes.
6. Bursting, overflowing and leaking of water apparatus, heating installations, geysers and pipes. This includes damage to these items up to the sum insured stated in the schedule.
7. Theft and attempted theft but if the home is unoccupied, let or lent there must be visible, forcible and violent entry or exit into or from the house.

8. Malicious damage, but not whilst your house is lent, let or sublet to a tenant.

EVENTS THAT WE DO NOT COVER

These exclusions are in addition to the General events and items not covered of this policy.

4. We do not pay for loss or damage to your house caused by:

- 4.1 Storm, wind, water, flood, hail or snow damage to hedges, retaining walls and windmill.
- 4.2 Theft, attempted theft and malicious damage by a tenant.
- 4.3 Full subsidence and landslip cover unless selected under optional extension 5.3
- 4.4 An event at an unoccupied house if the house has been unoccupied for at least 60 consecutive days in the 12 months before the event
- 4.5 Noncompliance with the requirements of the National Building Regulations or similar South African legislation applying at the time of erection or alteration
- 4.6 We do not pay for undamaged items,
We will not pay to replace an undamaged item if the only reason to replace it is to create a uniform effect throughout the house.
We will use materials as similar as possible to the damaged items, but we do not have to repair the house so that it is an exact match to the way it was before the loss or damage

For example:

You may have the same carpeting throughout your home. An insured event damages the carpet in your bedroom. We are only liable to pay for the damage to the bedroom carpet even if you are not able to match it with the remainder of the undamaged carpets.

CONDITIONS THAT IS SPECIFIC TO THIS SECTION

These conditions are in addition to the General Terms and Conditions of this policy.

1. Your responsibility to get cover for the full replacement value of your house (Average condition)

Replacement value is the amount needed for the cost to repair or rebuild your house with similar new materials. This includes fees for professionals you might need to engage (such as demolition experts, architects and surveyors). If at the time of the loss or damage or claim, we determine that the Sum Insured noted on the schedule is less than the replacement value then you are under insured. If you are under insured, we will not pay the full amount of the loss or damage. You will be your own insurer for the difference between the percentage of cover you bought and the full replacement value of your house.

For example:

The cost to rebuild your house (including the costs referred to in 4.1 above and items 1 to 14 of the Definitions 1 on Page 11) amounts to R1,000,000. You insure the house for R500,000, which equates to 50% of the total replacement cost of your house. You incur storm damage to your house for R50,000 but we will only pay R25,000 less your excess because you were underinsured by 50%.

2. We pay your lender first

If you have a mortgage bond registered over your house and the house is totally destroyed in a fire, we will pay the lender (mortgagee) before we pay you. We will pay the amount that you still owe to the lender, up to the sum insured or the limit of our liability in terms of this policy. If there is any balance over after paying the lender, we will pay it to you.

If this policy becomes invalid because you failed to comply with your duties in terms of this policy, we will still pay the lender if they were unaware of this failure. The lender has a duty to tell us as soon as they become aware that you might be failing to comply with these duties.

3. Operating a business from your house

You may conduct a business from your house subject to the following conditions:

- 3.1 You use the house as your main dwelling place.
- 3.2 The business consists only of offices or consulting rooms.
- 3.3 The business will not increase the risk of loss or damage to your house.
- 3.4 The house will not be used to accommodate guests or boarders for reward.

OPTIONAL EXTENSIONS TO COVER FOR YOUR HOUSE (if stated in the schedule as included)

1. Geyser wear and tear

We will compensate you, up to the limit stated on the schedule, for the cost of repair or replacement of your damage geyser, its parts and any concealed pipes caused by:

- i) rust, decay, gradual deterioration or wear and tear
- ii) cracking, splitting, latent defects, faulty material and workmanship.

We do not cover damage occurring in the first year of installation or damage covered by any guarantee

2. Inflation

We will increase the sum insured annually in line with inflation up to the limit stated on the schedule.

3. Subsidence and landslip – extended cover –

We will pay you for loss of or damage to your house caused by subsidence or landslip or both up to the Sum insured stated on your schedule. However, you are not covered if this is caused by:

- 3.1 normal settlement, shrinkage or expansion of the building
- 3.2 structural alterations, additions or repair
- 3.3 the compaction of infill
- 3.4 defective or faulty design, materials or workmanship
- 3.5 excavations other than mining operations
- 3.6 removal or weakening of support the building.

In addition, we are not liable for loss or damage to septic and conservancy tanks or drains and water courses unless the building is damaged at the same time by the same insured event.

Any damage that existed before your policy started

If required, you will have to prove that the loss or damage being claimed for was caused by subsidence or landslip

Subsidence means sinking – it is the vertical, downward movement of soil. It includes settlement, which is a lateral Movement.

Landslip means the sliding down of a mass of land. It is, in effect, a small landslide and it typically occurs on a slope.

AUTOMATIC EXTENSIONS TO THE COVER FOR YOUR HOUSE

We automatically provide extra cover for the following events and items. The amount we pay is limited to the benefit that appears in the extension or the sum insured stated in the schedule.

1. **Loss of Rent** – If you have a tenant in your house, we will pay up to 20% of the Sum Insured on the house for loss of rent if the house is not fit to live in because of the loss or damage that we cover. We calculate the loss of rent on the yearly rent or on the rental value of the unfurnished house. We pay for only as long as is reasonably needed to make the house fit to live in again. We do not pay for loss of rent that arises while structural alterations are being made to the house.

2. **Rent to live elsewhere** – If you are living in your house, we will pay up to 20% of the Sum Insured on the house for loss of rent if the house is not fit for you to live in because of the loss or damage that we cover. We calculate the loss of rent on the yearly rent or on the rental value of the unfurnished house. We pay for only as long as is reasonably needed to make the house fit to live in again. We do not pay for loss of rent that arises while structural alterations are being made to the house.

3. **Professional fees - We pay up to 20% of the Sum Insured on the house for professional fees and other rebuilding costs you incur after receiving our written consent to appoint the professionals.**

Professional fees include one or more of the following:

- 3.1 Architects, Quantity Surveyors and Consulting Engineers fees.
- 3.2 Local authorities' scrutiny fees.
- 3.3 Costs for the requirements of public authorities for repairing or rebuilding.

4. **Glass and sanitary ware** – We pay the reasonable costs for repairing or replacing accidental breakage of:

- 4.1 Fixed glass including mirrors

4.2 Fixed sanitary ware – excluding chipping, scratching or disfigurement

We only pay for this extension if the house is permanently occupied at the time of the breakage.

5. **Public utility supplies** – We pay the reasonable costs for repairing accidental damage to water, sewerage, gas, electricity and telephone connections that you are legally responsible for between the house and the public supply or mains connections.
6. **Fire brigade charges** – We pay for the fees charged by firefighting authorities for the cost of extinguishing a fire that is damaging your house.
7. **Demolition charges** – We pay the costs of demolishing your house, removing the debris from the site and putting up hoardings needed for building operations.
8. **Accidental Damage** – We pay for accidental physical loss of or damage to your house that is not otherwise covered up to the Sum Insured stated on your schedule. This extension excludes damage caused by:
 - 8.1 Any gradual cause such as wear and tear, rust, mildew, mould, corrosion or decay.
 - 8.2 Pests such as rodents, ants, vermin and moths.
 - 8.3 Cleaning, repairing or restoring by any manner or method.
 - 8.4 Chipping or denting or scratching.
 - 8.5 Conditions of the atmosphere, climate or light.
9. **Subsidence and landslip – limited cover** - We will pay you for loss of or damage to your house caused by subsidence or landslip or both up to the Sum insured stated on your schedule. However, you are not covered if this is caused by:
 - 9.1 normal settlement, shrinkage or expansion of the building.
 - 9.2 structural alterations, additions or repairs.
 - 9.3 the compaction of infill.
 - 9.4 defective or faulty design, materials or workmanship.
 - 9.5 excavations other than mining operations.
 - 9.6 removal or weakening of support.
 - 9.7 contraction or expansion of soil, clay or similar types of soil.
 - 9.8 moisture or damp.

In addition, we are not liable for:

- a) Loss or damage to swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences, retaining and screening walls unless the building is damaged at the same time by the same event
- b) Loss or damage to solid floor slabs or any part of the building resulting from the movement of the slabs, unless the foundation supporting the external walls are damaged by the same cause at the same time.
- c) Any damage that existed before your cover started.
- d) Work necessary to prevent further loss or damage from subsidence and landslip, except where appropriate design precautions were implemented during the original construction of the building or any subsequent additions to it.

If required, you will have to prove that the loss or damage being claimed for was caused by subsidence or landslip.

Subsidence means sinking – it is the vertical, downward movement of soil. It includes settlement, which is a lateral movement.

Landslip means the sliding down of a mass of land. It is, in effect, a small landslide and it typically occurs on a slope.

10. **Security Guards** – We pay the reasonable cost of employing guards to safeguard your house after an insured event if it is required.
11. **Locks and Keys** – We pay the reasonable cost of replacing locks or keys to your house if they have been lost, stolen or damaged (this extension includes card keys, remote control devices and the reprogramming of these devices).
12. **Removing fallen trees** - We pay the reasonable cost for you to remove fallen trees or any part of fallen trees, from your property at the address shown on the schedule as your house, that have been damaged due to an event we cover. We do not pay for removing trees that you have cut down yourself or arranged to have cut down.

- 13. Power surge** – We pay for damage to your house caused by power surges from accidental changes in the power supply by a public supply authority. We do not pay for power surges caused by you not paying your electricity account. We have the right to ask that the main electrical distribution boards in your house are protected with surge protectors, lightning arrestors or other protection devices installed to SANS 0142 specification and to remove cover for power surge, if this has not been done.
- 14. Damage to the garden** – We pay for the cost of landscaping and replacing any damaged trees, shrubs or plants in your garden after a valid claim. This is on condition that the claim is not the result of hail or building operations.
- 15. Tracing of water leaks** – We pay for the cost of tracing the source of a water leak at your insured premises, provided that it originated after your cover started. However, we will not pay for the actual repair of the leak once it has been located.
- 16. Wheelchair-friendly alterations** – If you are accidentally injured during the period of insurance and become wheelchair bound we will pay for alterations to enable you to continue accessing your house.
- 17. Water leakage from underground pipes** – We pay for any additional charges on your municipal water bill that results from leakage of underground pipes on your premises subject to the following conditions:
- 17.1 The additional charge for the last quarter must exceed the average consumption for the last four quarters by at least 50%.
 - 17.2 The additional charges are not caused by leaking taps, geysers, toilets and swimming pools or their pipes.
 - 17.3 Your building is not unoccupied for more than 60 consecutive days.
 - 17.4 You immediately repair it at your own expense.
 - 17.5 We will not pay for more than two events every 12 months.
- 18. Wild baboons and monkeys** – We pay for loss or damage to your building caused by wild baboons or monkeys up to the limit stated in your schedule. Wild baboons and monkeys will not be regarded as vermin for the purpose of the extension.

SECTION 5: FARMHOUSE CONTENTS

DEFINITIONS AND EXPLANATIONS SPECIFIC TO THIS SECTION

Whilst the following definitions relate to this section specifically, they must also be read in conjunction with the general Definitions of this policy.

Risk Address: means the address shown on the schedule under **House Contents Section**.

House Contents: means Household goods and personal possessions belonging to you and your family members who live with you inside the Main residence, garages, domestic workers living quarters and tool sheds at the Risk address or any other place where you are temporarily staying or employed.

Wall Construction and Roof Construction: shown on the schedule will have the following meanings:

Wall Construction:

- 1) if described as Standard Construction it means built of brick, stone or concrete
- 2) if described as Non-Standard Construction it means built of materials other than brick, stone or concrete

Roof Construction:

- 3) will be described as slate, tile, concrete, asbestos, metal or thatch.

Please note that if your house has a roof area that includes thatch which exceeds 25% of the roof area or a construction with a thatch roof, within 5 meters of the main residence, which exceeds 25% of the roof area. The roof construction of the main dwelling shall be deemed to be thatch.

EVENTS THAT WE COVER

1. Fire, lightning, earthquake or explosion.
2. Storm, wind, water, flood, hail or snow.
3. Impact by trees, vehicles, aircraft and other aerial devices and articles dropped from them.
4. Impact by animals including wild animals that live freely in their natural environment.
5. Bursting, overflowing and leaking of water apparatus, heating installations, geysers and pipes.
6. Theft and attempted theft but if the home is unoccupied, let or lent there must be visible, forcible and violent entry or exit into or from the house.
7. Malicious damage, but not whilst your house is lent, let or sublet to a tenant.

EVENTS THAT WE DO NOT COVER

These exclusions are in addition to the General events and items not covered of this policy.

1. We do not pay for loss or damage to your house caused by:

1. Storm, wind, water, flood, hail or snow damage to household contents in the open unless the items are designed to be in the open
2. Loss or damage that arises out of a process where applying water is needed such as shampooing carpets
3. Loss or damage that takes place if the house is unoccupied for 60 consecutive days or more in the 12-month period before a covered event occurs.

2. Limits and conditions for jewellery, watches, precious metals and gemstones

We do not pay more than 30% of the sum insured stated in the schedule for this section in respect of theft, loss or damage to jewellery, watches, precious metals and gemstones. Further we will not pay more than R10,000 for any single item unless you give us a valuation certificate from a professional jeweller or proof of purchase. The certificate or proof of purchase must be less than 3 years old and it must pre-date the loss or damage.

CONDITIONS THAT ARE SPECIFIC TO THIS SECTION

These conditions are in addition to the General Terms and Conditions of this policy.

1. Your responsibility to get cover for the full replacement value of your house contents (Average condition)

It is your responsibility to get cover for the full replacement value of all of your house contents. Replacement value is the amount needed to replace all your insured property with similar new property. If we determine that the sum insured stated in your schedule is less than the replacement value at the time of the loss, damage or claim then you are underinsured. As a result, we will not pay the full amount of your loss or damage and you will be your own insurer for the difference between the percentage of the sum insured and the full replacement value.

For example:

If the replacement value of your house contents is R400,000 and your sum insured is R200,000 you will be 50% underinsured. Therefore, if you submit a claim for R100,000 we will only pay you 50% of your claim less your excess.

2. Special conditions for theft and break-in cover as specified on your policy schedule**2.1 Burglar Bars and Security Gates**

We will not cover you for loss or damage to your house contents and personal possessions as a result of theft or break-in unless your house or outbuildings have burglar bars protecting all of your opening windows and security gates protecting all of your doors leading to the outside of your house or outbuildings and there is visible damage to the burglar bars and security gates following the theft or break-in.

2.2 Alarm system linked to a control room with armed response

If we state in the schedule that we require you to further protect your house contents and personal possessions by entering into a contract with a registered security service provider to install an alarm system which is linked to a control room with armed response, we require you or any person you have authorized to look after your house to:

2.2.1 Keep the alarm system maintained and in working order.

2.2.2 Keep all detectors free from obstruction.

2.2.3 Not bypass any detector or zone when the house or outbuildings are left unattended.

2.2.4 Activate the alarm system when the house or outbuildings are left unattended.

3. Additional protection for jewellery, watches, precious metals and stones

We will not cover you for theft of any item of jewellery, watches, precious metals or stones that you are not wearing as part of your daily routine and that have a value of more than R10,000 per single item, if it is not kept in a locked and hidden safe that is securely attached to the wall or floor of your house.

4. Firearms

We will not cover you for theft of any firearm from your house if you have not complied with the legal requirements for owning, using and safe-keeping of a firearm.

AUTOMATIC EXTENSIONS TO THE COVER OF YOUR HOME CONTENTS

We automatically provide extra cover for the following events and items. The amount we pay is limited to the sum insured stated in the schedule.

1. Food that deteriorates

We will pay you for food that deteriorates if your fridge or freezer breaks down or because of power failure.

2. Garden furniture and washing in the open

We will pay you for garden furniture or washing if is stolen whilst in the open at your house.

3. Damage to guest's property

We will pay for loss of or damage to personal items belonging to any non-paying guests caused by an insured event in your house. This extension does not include money and negotiable instruments, or any items insured by another policy.

4. Money stolen from your home

We will pay you for money stolen from your house provided there is proof of forcible entry.

5. Personal documents, coins and stamps

We will pay you for theft of or damage to personal documents, coins and stamp collections by an insured event.

6. Locks and Keys

We will pay you for the reasonable cost to replace locks and keys if they are lost or damaged.

7. Fraudulent use of credit or bank card

We will pay you for loss arising from the fraudulent use of your debit, credit or SIM cards by anyone who is not a member of your family or household provided you reported the loss to the police and the organization that issued the card to you within 24 hours and you complied with all of the terms and conditions of issue and use of the card.

8. Golf Hole-in-one or Bowling Full-house

If you are an amateur golfer who scores a hole-in-one or an amateur bowler who scores a full-house at any recognized golf or bowling club, we will pay you out if we receive written confirmation from the secretary of the club.

9. Death from injury at your house

If you or your spouse are injured by a fire or break-in at your house which results in death within 12 months, we will pay your nominated beneficiary or your estate.

10. Domestic employee's belongings

We will pay for the loss or damage of your domestic employee's personal belongings following an insured event.

11. Medical expenses

We will pay for medical expenses incurred because of accidental bodily injury suffered by:

1. Anyone but you caused by your pet.
2. A guest or visitor because of a defect in your house.
3. A domestic worker in the course and scope of their employment with you.
4. We only pay for medical expenses that cannot be recovered from any other source.

12. Veterinary expenses

We will pay for vets' costs for accidental bodily injury to pets injured in a road accident.

13. Rent to live elsewhere

We will pay the reasonable cost for rent and alternative accommodation for you and your pets if your house is not fit to live in because of loss or damage from an event covered by this section for as long as is reasonably needed to make your house fit to live in again.

14. House contents in transit for permanent change of address

We will pay for loss, theft or damage to your house contents that are being moved by a professional moving company between your house and a new permanent address that is caused by:

1. Fire, lightning or explosion.
2. The vehicle carrying your possessions being involved in an accident.
3. Theft or attempted theft from the vehicle carrying your possessions following visible, violent and forcible entry or exit.

15. Breakage of mirrors and glass

We will pay for accidental breakage of mirrors and glass that are part of a stove, oven or furniture.

16. Breakage of television sets, LCD's and LED's

We will pay for accidental breakage to television sets but not for mechanical or electrical breakdown.

17. Emergency services

We will pay for costs charged by any emergency service provider such as the fire brigade or ambulance service for responding to an insured event.

18. Subsidence and landslip – limited cover –

We will pay you for loss of or damage to your house caused by subsidence or landslip or both up to the Sum insured stated on your schedule. However, you are not covered if this is caused by:

1. normal settlement, shrinkage or expansion of the building.
2. structural alterations, additions or repairs.
3. the compaction of infill.
4. defective or faulty design, materials or workmanship.
5. excavations other than mining operations.
6. removal or weakening of support.
7. contraction or expansion of soil, clay or similar types of soil.
8. moisture or damp.

In addition, we are not liable for:

- a) loss or damage to swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences, retaining and screening walls – unless the building is damaged at the same time by the same event.
- b) loss or damage to solid floor slabs or any part of the building resulting from the movement of the slabs, unless the foundation supporting the external walls are damaged by the same cause at the same time.
- c) Any damage that existed before your cover started.
- d) Work necessary to prevent further loss or damage from subsidence and landslip, except where appropriate design precautions were implemented during the original construction of the building or any subsequent additions to it.

If required, you will have to prove that the loss or damage being claimed for was caused by subsidence or landslip.

Subsidence means sinking - it is the vertical, downward movement of soil. It includes settlement, which is a lateral movement.

Landslip means the sliding - down of a mass of land. It is, in effect, a small landslide and it typically occurs on a slope.

19. Accidental damage

We will pay you for accidental physical loss of or damage to your insured property while it is in your private house **excluding** loss or damage which is:

1. Payable in terms of the basic cover for this section.
2. Due to depreciation.
3. Gradual causes such as wear and tear, rust, mildew, mould, corrosion or decay.
4. Caused by household pests such as rodents, ants, vermin and moths.
5. Caused because of cleaning, repairing or restoring by any manner or method.
6. Caused to any tools, gardening implements, garden furniture.
7. Caused to automatic pool cleaning equipment.
8. Caused to any portable computer equipment or cellular devices.
9. Covered by any manufacturers guarantee, purchase agreement or service contract.
10. Caused by cracking or scratching of glass, glassware or any similar breakable article. This exclusion does not apply to jewellery, cameras, televisions or computer screens.
11. Caused by chipping or denting of furniture or domestic appliances.
12. Cost of reproduction of data of any kind.

20. Water Leakage

We will pay up the sum insured on the schedule for water charges from a local authority for water lost through leaking pipes at the house subject to the following conditions:

- i) The water meter reading is 50% or more over the average of your previous four readings.
- ii) You take immediate steps to repair the pipes affected when the leak is discovered by physical evidence or by abnormally high water bill.

Please note that we will not pay for:

- i) More than two separate events in any 12 months' period.
- ii) The cost of repairing leaking pipes.

- lii) Loss of water from leaking taps, water heating apparatus or sanitary systems, swimming pool structures and inlet or outlet pipes.
- iv) Loss of water if the house is unoccupied for more than 60 days.

21. Security guards

We will pay the reasonable and necessary costs of employing a security guard following an event that is covered until the house is secure again.

22. Power surge

We will pay for damage to your house caused by power surges from accidental changes in the power supply by a public supply authority. We do not pay for power surges caused by you not paying your electricity account. We have the right to ask that the main electrical distribution boards in your house are protected with surge protectors, lightning arrestors or other protection devices installed to SANS 0142 specification and to remove cover for power surge if this is not done.

23. House contents temporarily away from your house

We will pay for house contents lost or damaged whilst temporarily away from your house at any of the following places by an event that is covered, including theft following forced entry to or exit from:

1. An occupied private residence.
2. A guest house, hotel, club, holiday apartment, school, place of study or nursing home where you or a member of your family who normally resides with you is temporarily living.
3. A business premises where you are working.
4. A furniture storage facility or bank safe deposit.
5. A premises for cleaning, repairing, altering, renovation or restoration.
6. We do not cover house contents anywhere outside of the territories covered unless specified on the All Risk Section of this policy.

24. Loss or damage caused by wild animals

We will pay for loss or damage to your house contents that are inside your house caused by wild animals that live freely in their natural environment and are not confined in any way

25. Credit, Debit or SIM card fraud

We will pay you for losses arising from the fraudulent use, by anybody other than you or any member of your family, of your credit, debit or SIM card provided you comply with the provider's conditions at all times.

26. Emergency transport of children

We will pay for the emergency transportation of your school going children by a third party in the event of them being injured on the school premises.

27. Garden damage

We will pay you for the cost of landscaping and replacing any trees, shrubs or plants in your garden after a valid claim for your contents. This is on condition that the claim is not the result of hail, and if you rent the house, the home owner is not entitled to claim under their own insurance.

28. Increase in sum insured over holiday season

We will increase the sum insured of your contents 10% during the holiday period of 15 December to 31 January.

29. Office contents

We will pay for loss or damage by the insured perils to Office Equipment, apart from computers and other data processing equipment, in your home that are used for office purposes such as a home profession or business.

30. Storage costs

We will pay the necessary storage costs to safeguard your contents after an insured event has occurred.

31. Trauma counselling

We will pay for professional counselling to help you cope with trauma if you should be the victim of theft, attempted theft or hold-up.

FARMHOUSE CONTENTS

SECTION 6: PERSONAL COMPUTERS

DEFINITIONS AND EXPLANATIONS SPECIFIC TO THIS SECTION

Whilst the following definitions relate to this section specifically, they must also be read in conjunction with the general Definitions of this policy.

Home means the building that you live in at the address shown on the schedule for Section 5 - Farmhouse Contents Section.

Computer means any computer and accessories such as screens, printers and software that belong to you and are described in the schedule.

Territory means anywhere in the world including transit by land, sea or air.

EVENTS THAT WE COVER

We will pay for:

1. Accidental loss or damage to your computer from any cause that is not specifically excluded
2. Reinstatement of data costs and expenses incurred by you to reinstate data or programs lost as a result of accidental erasure provided that the lost data or programs were not caused by:
 - a) Program errors,
 - b) A virus or malware,
 - c) Intentional cancellation, corruption of data or incorrect entry.

EVENTS THAT WE DO NOT COVER

We will not pay for:

1. Use of the computer for any purpose other than personal use, or for your home industry or professional home use.
2. Loss or damage that is already provided for under a maintenance or lease agreement.
3. Theft from your place of employment unless there are clear signs of forced entry into or exit from the building.
4. Any loss from an unattended vehicle unless there are clear signs of forced entry to a locked boot or compartment where the item was concealed.
5. The development of poor contacts or the scratching of paint or polished surfaces.
6. Any process of cleaning, maintenance or upgrading.
7. Parts that have a short life unless this is as a result of other damage to the computer that is covered by this section and happened at the same time.
8. Any loss incurred as a result of you not being able to use your damaged computer.
9. Viruses, Trojans, worms or other destructive media or computer programs.

HOW WE COMPENSATE YOU

If your computer is damaged or lost, we will compensate you based on replacement cost up to the sum insured stated in your schedule. We can also decide to replace your computer for you or give you the money to purchase a new one yourself if we cannot repair it.

SECTION 7: PERSONAL ALL RISKS

DEFINITIONS AND EXPLANATIONS SPECIFIC TO THIS SECTION

Whilst the following definitions relate to this section specifically, they must also be read in conjunction with the general Definitions of this policy.

Home means the building that you live in at the address shown on the schedule for Section 5 - Farmhouse Contents Section.

Territory means anywhere in the world including transit by land, sea or air.

Specific Personal Items cover (All Risks) means we cover you for the items described on your policy schedule that you might be wearing or take out of your house. These items are defined below as **Unspecified Items** and **Specified Items**.

Unspecified Items means items that are not specified individually on the schedule. You choose a Sum Insured that you feel will adequately cover you, your spouse and your children for items that you will normally be wearing or carrying with you at any one time whilst out of your house. Items should include clothing, spectacles, contact lenses, sunglasses, jewellery, watches, briefcases, handbags, bags and anything that they contain up to a maximum value for any single item of R2,000.

Specified Items means any item that you have specified on the schedule up to the sum insured.

EVENTS THAT WE COVER

We will pay for:

1. The items noted on your schedule which are defined in Item 1 of this section if they are stolen, accidentally lost or damaged up to the sum insured stated in the schedule.

EVENTS THAT WE DO NOT COVER

We will not pay for:

1. Theft from an unattended motor vehicle, caravan, trailer or watercraft unless there was visible, violent and forcible entry into or exit from the locked motor vehicle, caravan, trailer or watercraft.
2. Theft, accidental loss or damage of cameras and other photographic equipment used for professional purposes or for reward. We will cover these items if you use them only for a hobby or part-time income.
3. Theft, accidental loss or damage of musical instruments, sound or audio-visual devices used for professional purposes or for reward. We will cover these items if you use them only for a hobby or part-time income.
4. Sporting equipment whilst in use other than golf clubs or pedal cycles whilst taking part in social trial runs. We do not cover you if you play golf or cycle professionally.
5. Chipping, scratching, denting and breakage of porcelain or similar articles of a fragile nature.

SPECIAL CONDITIONS APPLICABLE TO ITEMS COVERED BY THIS SECTION

1. Jewellery and watches

1.1 Valuation certificates

All jewellery and watch items insured on this section with an individual value that exceeds R5,000 must be supported by a valuation certificate that is issued by a professional jeweller and not be more than 3 years old.

1.2 Jewellery to be kept locked in a safe when not being worn or used

We will not cover you for theft of any item of jewellery and watches that you are wearing as part of your daily routine and that have a value of more than R20,000 per single item, if it is not kept in a locked and hidden safe that is securely attached to the wall or floor.

If you are temporarily staying elsewhere this condition applies to those premises to the extent that a safe is available on those premises.

2. Firearms

You must keep any firearms insured on this section in a locked and hidden safe that is securely attached to the floor or wall if they are not being used by you.

3. Pairs and Sets

We will not pay for a special value that a pair or set might have. If one item in a pair or set is stolen, lost or damaged we will only pay for that item.

4. Pedal Cycles

We will not pay for a pedal cycle if it is stolen whilst you are not using it and it is not at your house unless you have attached it to a permanently fixed structure with a lock and chain or locked to a carrier on your motor vehicle.

SECTION 8: MECHANICAL AND ELECTRICAL BREAKDOWN

DEFINITIONS AND EXPLANATIONS SPECIFIC TO THIS SECTION

Whilst the following definitions relate to this section specifically, they must also be read in conjunction with the general Definitions of this policy.

Home means the building that you live in at the address shown on the schedule for Section 5 - Home Contents Section.

Insured Items means any household appliances specified in the schedule such as the following:

1. Televisions, Decoders, DVD players, Hi-Fi's, Home theatre systems
2. Fridges, stoves, ovens, microwaves
3. Washing machines, tumble dryers, dishwashers.

EVENTS THAT WE COVER

We will pay for:

Sudden mechanical and electrical damage to the insured item that you could not have foreseen and provided the insured item was in the home.

EVENTS THAT WE DO NOT COVER

We will not pay for:

1. Theft or attempted theft.
2. Gradual causes such as wear and tear, rust, mildew, corrosion, decay and deterioration. This includes damage from light, sunlight or normal climatic conditions.
3. Household pests such as moths or other insects or their larvae, vermin and rodents or your own domestic pests.
4. Dyeing, renovating or repairing.
5. Items that are confiscated or detained by a process of law.
6. Using or treating items in the wrong way
We will not pay you for damage because:
 - a. tools were used on the insured item in the wrong way,
 - b. you or any other person made mistakes when installing the insured item,
 - c. the insured item was not maintained as the manufacturer recommended,
 - d. the insured item was used for something other than its normal home use,
 - e. damage is covered in terms of the guarantee or warranty issued by the manufacturers of any insured appliance.
7. Damage to articles of a brittle nature
We will not pay for damage to glass, including scratching of lenses or screens
8. Damage to parts of insured items that have short life spans
We will not pay for damage to parts such as:
 - a. batteries, bulbs, globes, fuses or pilot lights,
 - b. tapes, ribbons or obsolete spare parts,
 - c. plates inside microwave ovens,
 - d. removable storage devices air and water filters,
 - e. belts, knobs, accessory cables or remote controls,
 - f. screen protectors.
9. Damage to computers, notebooks, laptops, palmtops, iPads, tablets and data processing equipment
We will not compensate you for damage to any of these items.

10. Damage to electric gate motors and garage door motors

We will not compensate you for damage to any of these items

HOW WE COMPENSATE YOU

We will choose one or more of the following ways to compensate you up to the sum insured or limit shown under House Contents on the schedule.

1. paying the cost of the damage,
2. replacing whatever is damaged,
3. repairing whatever is damaged.

SECTION 9: MOTOR VEHICLES

DEFINITIONS AND EXPLANATIONS SPECIFIC TO THIS SECTION

Whilst the following definitions relate to this section specifically, they must also be read in conjunction with the general definitions of this policy.

Risk address – means the address where you permanently live and keep the vehicle that we cover.

Vehicle – means a South African registered privately-owned motor vehicle described on the schedule and categorized below:

- a. Motor car, mini bus, SUV, station wagon or motorized caravan designed with a capacity to seat no more than 9 people and not having a gross vehicle mass of more than 3,500kg.
- b. Light delivery vehicle with a gross vehicle mass of not more than 3,500kg (includes double cabs, panel vans, club cabs, 4x2 and 4x4 vehicles).
- c. Motor cycles, scooters, scramblers, tri-bikes and quad bikes.
- d. Trailer (with a carrying capacity not exceeding 1,000kg) or a caravan designed to be towed by a self-propelled vehicle.

Regular Driver – means You and any other person stated in the schedule who drives the vehicle

Private Use – means use of your vehicle for social and domestic purposes, including driving between your house and regular place of work

Business Use – means in addition to **Private Use**, the use of your vehicle for business and professional purposes is included. The use of light delivery vehicles, Panel vans and mini buses is not covered under **Business Use**.

EVENTS THAT WE COVER

We will pay for:

1. Comprehensive Cover

If this Cover Type is selected on your schedule we will pay if the vehicle or any part of it is lost, stolen or damaged by accident, fire, self-ignition, lightning or explosion and cover will include costs and expenses for which you become legally responsible to a third party (as defined in Event 2.3 below) if the liability relates to the insured vehicle.

2. Third Party, Fire and Theft Cover

If this Cover Type is selected on your schedule we will pay if the vehicle or any part of it is stolen or is damaged by fire, self-ignition, lightning or explosion and cover will include costs and expenses for which you become legally responsible to a third party (as defined in Event 2.3 below) if the liability relates to the insured vehicle.

3. Third Party Only Cover

If this Cover Type is selected on your schedule and you have complied with all of the conditions of the policy, we will only pay up to the amount stated as the Indemnity limit on the schedule for amounts that you become legally responsible to pay a third party for:

- a. Accidental death of or bodily injury to any other person,
- b. Accidental damage to the property of other parties.

4. Temporary use of replacement vehicle

We will also compensate you for legal liability to a third party arising out of your use of a vehicle not shown on your schedule. Damage to the vehicle being used by you will not be covered and the cover will only be valid if, at the time of the accident:

- a. You were driving the vehicle,
- b. You were not using the vehicle for business, professional or commercial use at the time of the accident,
- c. You did not own the vehicle or you had not purchased the vehicle in terms of any credit agreement,
- d. The vehicles were not hired or leased to you.

EVENTS THAT WE DO NOT COVER

1. Depreciation, wear and tear, mechanical, electrical or electronic breakdown, failures or breakages and any consequential loss arising from such breakdowns, failures or breakages.

2. Damage caused to tyres by application of brakes.

MOTOR VEHICLES

3. Damage to the engine or suspension, unless some other part of the vehicle is damaged at the same time.
4. Where the vehicle is involved in an accident and it does not meet the roadworthy requirements under any Road Traffic Ordinances of South Africa or similar legislation that applies in the Territories covered by this policy.
5. Damage caused directly or indirectly as a result of modifications to the engine to enhance performance.
6. Loss, damage, injury or liability caused, sustained or incurred while the insured vehicle is used or being driven by you or any other person for racing, competition, driving instruction for reward, hiring and carrying of fare paying passengers.
7. Loss, damage, injury or liability caused, sustained or incurred while the vehicle is used or being driven by any person without a valid driver's or learners license according to the territory that the vehicle is being used in or any person who is in possession of a license which is endorsed or cancelled.
8. Loss, damage, injury or liability incurred whilst the vehicle is being used by you or any other person while under the influence of drugs or alcohol or the driver's blood-alcohol level is over the legal limit.
9. Damage to or loss of any non-standard accessory or spare part that has been attached to the vehicle unless the value has been included in the sum insured and the accessory has been noted on the schedule.
10. Loss, damage, injury or liability caused, sustained or incurred while the vehicle is used or being driven by any person without your knowledge and consent unless you have laid a criminal charge against such a person within 48 hours of the incident and provided that you may not withdraw such a charge.
11. Loss, damage, injury or liability caused, sustained or incurred while the vehicle is used or being driven other than in accordance with the Description of Use stated in the schedule.
12. Death or injury to your employee during the course of their employment with you.
13. Death or injury to any person being carried in a trailer, caravan or the open-load section of a light delivery vehicle or who is a passenger on a motor cycle, scooter, tricycle or quad bike.
14. Death or injury to any member of your household.
15. Claims arising out of contractual liability.
16. Any loss or damage that is covered by any other motor vehicle insurance legislation.
17. Loss, damage or liability caused whilst the vehicle is in the custody and control of the motor trade for any purpose other than for the purpose of overhaul, upkeep or repair of the vehicle.

TYPES OF USE WE DO NOT COVER

We will not pay for:

1. Commercial travelling (e.g. courier, transport contractors, carrying of goods for commercial purposes).
2. Carrying fare-paying passengers.
3. Hiring out your vehicle.
4. Any racing or speeding contest, rally or trial involving driving of any kind including use of 4x4 courses and test circuits, fun-day events held on a race track sanctioned by or under the sponsorship of a motoring club.

VEHICLE SECURITY

Your policy schedule will show the type of security device installed or required by us to be installed in your vehicle.

We will not pay if your vehicle is stolen and you do not have the security device described in the schedule installed in your vehicle, maintained in working condition and activated when your vehicle is left unattended.

HOW WE PAY

If you have a valid claim and if your vehicle or any part of it is lost, stolen or damaged we will at our option indemnify you by:

1. Paying for its repair or replacement, less any excess payable.
2. Replacing it with a similar vehicle or pay you the manufacturer's recommended retail price of a new one if it is stolen or written off and it is less than 12 months old with less than 30,000 kilometres on the odometer, less any excess payable.
3. If the vehicle is stolen or damaged beyond repair and is more than 12 months old the maximum amount payable by us will be the sum insured stated in the schedule or the reasonable retail value of the vehicle, including factory fitted accessories, as listed in a recognized current motor trade publication, less any excess payable. The vehicles age, condition and odometer reading may affect the value.
4. If the vehicle is financed, we will pay the finance company first and then the balance, if any, to you.
5. The amount of the loss or damage up to the sum insured for amounts that you become legally responsible to a third party for with our written consent.

WE PAY FOR REPAIRED VEHICLE TO DELIVERED TO YOU

After repair of your damaged vehicle we will also pay the reasonable cost of delivery to you at your permanent house address as shown on the schedule. If your vehicle is accidentally damaged or stolen and recovered outside of South Africa but within the territory, we will pay the reasonable costs to return it to you in South Africa.

AUTOMATIC EXTENSIONS TO THE COVER OF YOUR MOTOR VEHICLE (ONLY APPLICABLE TO COMPREHENSIVE COVER)**1. Towing, storage and protection costs**

In the event of an accident involving your vehicle covered on this policy you should immediately contact our roadside assistance helpline on **0861 111 555** to arrange towing, storage and protection of your vehicle. If you do not make use of this service the total amount that we will pay for towing, storage and protection of your vehicle will be R2,500.

2. Windscreens

We will pay for damage to window glass of your vehicle covered on this policy less any excess applicable.

3. Medical Expenses

If you or any passenger in your vehicle covered on this policy sustains an injury as a result of an accident with this vehicle, we will pay for medical expenses in connection with the injury up to the amount stated in the schedule provided that the passengers are seated in the vehicles permanently enclosed passenger carrying compartment. This cover is excluded for motor cycles, scooters, scramblers, tri-bikes, quad bikes, caravans and trailers.

4. Vehicle keys and remote-control units

We will pay up to R20,000 of the sum insured stated in the schedule, for loss or damage to keys or remote-control units for the vehicles covered on this policy.

5. Non-factory fitted sound equipment

We will pay for loss or damage to these items up to the sum insured stated in the schedule.

6. Emergency repairs

We will pay for emergency repairs up to the sum insured stated in the schedule following an insured event that you selected cover for. You will need to provide us with a detailed itemized invoice from the repairer before we will accept this claim.

7. Emergency accommodation

We will pay R500 per person any one claim maximum R5,000 any 12-month period for emergency accommodation for you and any passengers in your vehicle up the sum insured stated in the schedule following damages to your vehicle resulting from an insured event that you selected cover for.

8. Trauma counselling

We will pay R5,000 for medical expenses that you incur for trauma treatment by a registered professional counsellor if you are a victim of a violent act of theft or attempted theft of your vehicle up to the sum insured stated in the schedule. Provided that the treatment costs cannot be recovered from any other source and the act of violence is reported to the

police.

VALUE ADDED PRODUCTS – if stated in schedule as included

- 1. Car hire** if your vehicle is lost, stolen or accidentally damaged following a covered event.
- 2. Roadside assistance** following mechanical or electrical breakdown of your vehicle, including minor assistance such as flat tyre, battery or keys locked in your vehicle – refer to Xenturion assist brochure for full cover.
- 3. Excess waiver or excess reducer cover.**

SECTION 10: WATERCRAFT

DEFINITIONS AND EXPLANATIONS SPECIFIC TO THIS SECTION

Whilst the following definitions relate to this section specifically, they must also be read in conjunction with the general Definitions of this policy.

Risk address - means the address where you permanently live

Watercraft - means the craft, limited to 8 meters in length, shown on the schedule made up of the equipment that would normally be sold with the craft as one unit and includes:

1. The hull and superstructure Fittings.
2. Electrical machinery.
3. Inboard motors – limited to a maximum engine capacity of 250 horsepower per engine but not exceeding 300 horsepower in total if powered by more than one engine.
4. Safety equipment.

Specified accessories - means optional accessories not sold with the craft as one unit that need to be insured separately including but not limited to:

1. Outboard motors - specify on the schedule.
2. Spare tanks – specify on the schedule.
3. Anchors and special propellers – specify on the schedule.
4. Watercraft covers – specify on the schedule.
5. Communication and navigation devices, echo-sounders and fishing equipment – specify on the schedule.
6. Launching dollies, trolleys and trailers – specify on the Motor schedule – Section 6.

USE OF THE WATERCRAFT

The watercraft can only be used for social, domestic and pleasure purposes.

EVENTS THAT WE COVER

1. Damage to the watercraft caused by accident.
2. Theft of the watercraft.
3. Acts of malicious damage to the watercraft – excluding acts committed by you.
4. Damage to the watercraft caused by fire, explosion, lightning, storms and wind.
5. Liability to Third Parties.

AUTOMATIC EXTENSIONS

In addition to the Events that we cover in 3 above you are also covered for the following up to the limit stated on the schedule:

1. Emergency and salvage expenses incurred by you to avoid or minimize loss or damage to the watercraft R20,000.
2. If your watercraft is immobilized and cannot be skippered away as a result of an accident, we will pay for it to be towed away to a place of safety. In addition, we will pay for emergency repairs that enable you to continue on your journey after obtaining a detailed quotation first R10,000.
3. The benefit for trauma counselling if you are a victim of a violent act of theft, attempted theft, hold-up or hijacking of your watercraft or if you are involved in an accident with your watercraft R5,000.
4. The reasonable costs incurred by you to tow and assist other watercraft in distress or to summon emergency assistance. You must supply us with a copy of the official incident report to the relevant authorities.

EVENTS THAT WE DO NOT COVER

1. Theft of the watercraft or specified accessories when left unattended unless:
 - 1.1 the watercraft and specified accessories are inside the walled or fenced and locked boundaries of the Risk address, a storage facility, a recognized place of repair or dealer's premises for sale
 - 1.2 there is forcible and violent entry into or exit from any of these places at the time of the theft
2. Theft of outboard motors and other specified accessories when left unattended unless:
 - 2.1 the outboard motors are securely locked to the watercraft by a security device in addition to its normal methods of attachment to the watercraft.
 - 2.2 there is forcible and violent entry into or exit from the Risk address, a storage facility, a recognized place of repair or dealer's premises for sale.
3. Loss or damage to the watercraft whilst:
 - 3.1 let out on hire or charter
 - 3.2 being towed on water unless:
 - a. when in need of assistance.
 - b. for customary towage in connection with laying up, fitting out or repair.
 - c. towing or salvaging another watercraft other than one in distress.
 - d. towing or salvaging another watercraft (whether in distress or not) under a contract.
 - e. arranged prior to commencing towing or salvaging.
 - f. participating in mechanized racing or speed tests or any trials in connection therewith.
 - g. left moored or anchored unattended off an exposed beach or shore and it becomes stranded, sunk, swamped or breaks adrift.
 - h. the watercraft is in the custody or control of any person who is not a licensed operator in terms of the Merchant Shipping and National Small Vessels Safety Regulations.
4. Loss or damage to the watercraft due to:
 - 4.1 lack of due diligence or precaution on your part
 - 4.2 corrosion.
 - 4.3 mechanical or electrical breakdown of machinery, engines, motors, batteries and their connections (other than the shaft and propeller) unless caused by:
 - a. accidental incursion of water into the hull.
 - b. the watercraft being stranded, sunk, burnt, on fire, in collision or in contact with any external.
 - c. substance including ice other than water.
 - d. accidents occurring whilst the machinery, engines, motors, batteries and their connections are being removed from or to or replaced in the watercraft or a place of storage.
 - e. malicious acts.
 - f. fire or accidental damage whilst in store.
 - g. the intake of foreign matter into the cooling system of the machinery, engine or motors.
 - h. fire or explosion to the watercraft fitted with inboard machinery unless the watercraft is equipped in the engine room or engine space, tank space and galley with an automatic fire extinguishing system or one having controls at the steering position. It is warranted that any such fire extinguishing system must be professionally installed and maintained in efficient and working order.
5. Loss or damage to:
 - 5.1 sails or protective coverings being split by the wind or blown away whilst set unless in consequence of damage to spars to which the sails are bent or occasioned by the watercraft being stranded, sunk, burnt, on fire, in collision or in contact with any external substance including ice other than water.
 - 5.2 any part condemned solely because of a fault in design or construction.
 - 5.3 any defect resulting from either negligence or breach of contract in respect of any repair or alteration work.
 - 5.4 personal effects, consumable stores, fishing gear, life jackets, navigational charts and first aid kits.

LIABILITY TO THIRD PARTIES

1. Events and items, we cover

We will indemnify you or any person using the watercraft with your permission or any water skier being towed by the watercraft against all sums, including claimant's costs and expenses, which you shall become legally liable to pay in respect of the events that we cover below:

- 1.1 Accidental death or bodily injury of any person.
- 1.2 Accidental loss of or damage to property.
- 1.3 The cost of any actual or attempted raising, removal or destruction of the wreck of the watercraft or the costs for any neglect or failure to do so.
- 1.4 Official enquiries and coroners' requests.

2. Events and items, we do not cover

- 2.1 Death or bodily injury to you, or any member of your family who normally resides with you or any paying passenger.
- 2.2 Death or bodily injury to any employee in the course of their employment with you.
- 2.3 Loss or damage to property belonging to you, your family or your employees.
- 2.4 Loss or damage to property in your custody or control.
- 2.5 Death or bodily injury to any passenger being carried in or getting onto or off a watercraft that is not intended or constructed to carry passengers.
- 2.6 Death or bodily injury to any person who is water-skiing, aquaplaning or any similar activity whilst being towed, preparing to be towed, or after being towed by the watercraft.
- 2.7 Loss or damage arising out of your reckless disregard of the possible consequences of your acts or failure to act.

SPECIAL CONDITIONS

1. Use while under the influence of alcohol

We do not pay for loss, damage or legal responsibility to third parties while the watercraft is being navigated by or under the charge of you or any other person whilst under the influence of alcohol or drugs or while the concentration of alcohol in your blood or breath exceeds the statutory limit.

2. Use while outside the cruising range

We do not pay for loss, damage or legal responsibility to third parties while the watercraft is not cruising within the inland waters of South Africa (including Durban harbour and Knysna Lagoon), Namibia, Botswana, Zimbabwe, Mozambique, Swaziland and Lesotho and the coastal waters of South Africa, Namibia and Mozambique for day sailing up to a maximum of 40 kilometres from the coastline.

3. Collision with submerged objects

We do not pay for loss or damage to the watercrafts rudder, propeller, strut, shaft, electrical machinery, engines or motors caused by collision with a submerged object unless the cover has been previously agreed to and it is noted on the schedule.

4. Care of the watercraft

You and all users of the watercraft must agree to:

- 4.1 take all reasonable steps to maintain the watercraft, outboard motors and other items we cover in a proper state of repair and seaworthiness.
- 4.2 exercise all care and diligence in crewing the watercraft.
- 4.3 exercise all reasonable steps to minimize loss or damage if motors are submerged in water.
- 4.4 use at least two motors in workable and readily usable condition when launching the watercraft through the surf.
- 4.5 at inception of the policy arrange at your own expense to get a certificate of fitness for the watercraft which is to be conducted whilst it is out of the water.
- 4.6 the watercraft must be conveyed on a properly designed and constructed trailer whilst in transit by land and the trailer must be insured on the motor vehicle section of this policy.

5. Other people using your watercraft

If someone else is piloting your watercraft with your permission you must ensure that they:

- 5.1 have never, to your knowledge, been refused insurance.
- 5.2 are not entitled to compensation under any other policy.
- 5.3 are not piloting the watercraft as an employee of a shipyard, slipway, yacht club or similar organization.

5.4 comply with all the terms and conditions of this policy.

HOW WE PAY

If you have a valid claim and if your watercraft or any part of it is lost, stolen or damaged we will at our option indemnify you by:

1. Paying for its repair or replacement, less any excess payable.
2. If the watercraft is stolen or damaged beyond repair the maximum amount payable by us will be the sum insured stated in the schedule or the reasonable market value of the watercraft, including factory fitted accessories, less any excess payable.
3. If the watercraft is financed, we will pay the finance company first and then the balance, if any, to you.
4. The amount of the loss or damage up to the sum insured for amounts that you become legally responsible to a third party for with our written consent.

SECTION 11: PERSONAL LEGAL LIABILITY

DEFINITIONS AND EXPLANATIONS SPECIFIC TO THIS SECTION

Whilst the following definitions relate to this section specifically, they must also be read in conjunction with the general Definitions of this policy.

Property - means any property that can be seen and touched. It specifically excludes intellectual property.

Territory – means anywhere in the Republic of South Africa, Namibia, Lesotho, Swaziland, Mozambique, Zimbabwe, Botswana and Malawi.

House – means the address of buildings shown on the schedule for the BUILDINGS and HOUSE CONTENTS sections of this policy.

You or your in this section only means the people named on the schedule and include your spouse, immediate family who live with you and the dependents that you are legally responsible for.

Occurrence – means one incident or series of incidents arising out of one event.

EVENTS THAT WE COVER

We will pay any amounts that you become legally liable to pay as damages consequent upon the following events that might occur during the period of cover:

1. Accidental death, injury, sickness or disease or death sustained by a person resulting from such injury, sickness or disease including mental injury, mental anguish and shock.
2. Accidental physical damage to, loss of use or destruction of tangible property.

EVENTS THAT WE DO NOT COVER

These exclusions are in addition to General events and items not covered of this policy.

We do not pay any liability claim for:

1. Your death, bodily injury or illness.
2. Your employees other than your domestic workers in the course of their employment with you.
3. Your trustees, beneficiaries, directors, members of their families who live with them (if you are a trust or close corporation).
4. loss of or damage to property owned by or under the control of people mentioned in 3.1,3.2 and 3.3 above.
5. loss of or damage to your property or property in your custody or control.
6. loss of or damage to your employee's property while the property is at your home.
7. death, bodily injury or illness arising directly or indirectly from any animals other than your pet dogs and pet cats.
8. responsibility arising out of your ownership, possession or occupation of buildings or land other than buildings that are covered under this policy.
9. responsibility arising directly or indirectly from the ownership, possession, control or use of any vehicle, watercraft or aircraft other than surfboards, paddle skis, models of vehicles, watercraft or aircraft.
10. Accidental loss or damage to moveable or immovable property you or another person in your employment borrows, rents, owns, keep in trust or has control or custody of.

11. Responsibility arising directly or indirectly out of the purchase, sale, barter or exchange of property or your failure to comply with any obligations in relation to the transaction.

12. Responsibility arising out of seepage, pollution or contamination of any type.
13. The cost of cleaning, removing, reversing the effect of damage or reinstating property lost or damaged by seepage, pollution or contamination.
14. The cost of or relating to any judgment, award, payment or settlement made in the United States of America or Canada or any country that operates under the laws of those countries, even if the cost is formally approved by a court in another country, unless the judgment, award, payment or settlement is enforced in a competent court in South Africa.
15. Any punitive damages or any fines, penalties or exemplary damages anywhere in the world, including South Africa.
16. Loss or damage to property that is also covered under any other insurance policy.
17. Responsibility arising out of your dishonest, fraudulent or malicious act of physical assault or the crime of seduction.
18. Loss or damage arising out of your reckless disregard of the possible consequences of your acts or failures to act.

AUTOMATIC EXTENSIONS TO YOUR COVER

1. Contracts with security companies

We pay for the costs that you are legally responsible for arising out of a written contract with any registered security company or armed response services to protect your property. The event must have taken place at the house you live in (as shown in the Buildings or House Contents Sections of the schedule attached to this policy) or be as a result of an incident that started at the home. The security contract must be dated before the events that result in a claim against you.

2. Wrongful arrest

We pay for the costs you are legally responsible for if you wrongfully arrest someone when you perform your duties as a member of a neighbourhood watch group or of a similar voluntary non-profit organization. This includes the costs you are legally responsible for from an assault during the arrest or search linked to the arrest. We will only pay if the wrongful arrest takes place during the period of cover.

3. Homeowners liability

We pay for the costs of the damages that you as the owner of your home located at the address noted in the policy schedule – Personal Home Buildings Section - become legally responsible to pay for any:

- a. Accidental death, bodily injury or illness of another person during the period of cover.
- b. Accidental loss of or damage to property that belongs to another person during the period of cover.

We do not pay for legal responsibility (liability) arising out of or related to your business or occupation activities.

4. Tenants liability

We pay for the costs of the damages that you as the tenant of the home located at the address noted in the policy schedule – Personal Home Contents Section – become legally responsible to pay the owner of the building for any damages to the building due to:

- a. Accidental damage to the building or outbuildings caused by an insured event specified in the Personal Home Contents Section.
- b. Accidental damage to fixed sanitary ware or fixed glass.
- c. Accidental damage to water, gas, sewerage, electricity, or telephone connections to the dwellings or outbuildings.

5. Domestic employees liability

We pay for the costs that you are legally responsible for due to:

- a. Accidental death or bodily injury to your domestic employee when they are employed by you

We do not pay if it is linked to any criminal action against you out of an alleged contravention of the Occupational Health and Safety Act No 85 of 1993.

HOW WE PAY

We pay up to the Sum Insured shown on the schedule. The Sum Insured includes all costs and expenses:

1. That you are legally responsible for and have incurred with our written consent.
2. That you are legally responsible to pay as legal costs of the other person.
3. That can be recovered from you for any one event or series of events resulting from the same event. This means that if there are multiple claimants we will not pay more than the Sum Insured shown on the schedule for all claims combined.

SECTION 12: EXTENDED PERSONAL LEGAL LIABILITY

SPECIAL CONDITIONS RELATING TO THE LIABILITY PLUS COVER ISSUED IN CONJUNCTION WITH THIS PRIMARY POLICY

The Insured Events, Specific Exclusions, General Conditions and General Provisions noted below and those included in this Liability Plus cover are in addition to and are to be read in conjunction with the Definitions and Guidelines for Interpretation and the General Terms, Conditions and Exceptions of this policy document as well as the Definitions and Explanations, Events Covered, Events Not Covered and Automatic Extensions of this Section.

LIABILITY PLUS LIMITS

General Liability Limit: R 20 000 000 in excess of the R1 000 000 limit provided under this policy (Primary Policy) Motor Liability Limit: R 22 500 000 in excess of the R2 500 000 limit provided under this policy (Primary Policy).

(A) The liability of Xenturion Insurance Company Limited for all damages in respect of any one event shall not exceed the Limits stated above and on the Schedule inclusive of any costs and expenses that may have been incurred by you with their written consent and costs and expenses recoverable from you by any claimant after deduction of any payments or awards made and due to be made by Xenturion Insurance Company Limited

(B) Xenturion Insurance Company Limited will pay those sums in excess of the limit provided by the General Legal Liability Section

of this Policy but not exceeding the LIMIT stated above, and on the Schedule, that you become legally liable to pay as compensation by reason of liability imposed by law or assumed by you under any contract because of bodily injury or property damage that is not covered by the Primary Policy provided always that:

- (i) No liability shall attach to this Liability Plus Section of the policy unless and until Xenturion Insurance Company Limited have paid or have been held liable to pay the full amount of their limit under the primary liability section of the policy
- (ii) If by reason of the payment of any claim or claims under the Primary Policy, during the period of insurance the amount of indemnity provided by such Primary Policy is
 - (a) Partially reduced then this Policy shall apply in excess of the reduced amount of the Primary Policy for the remainder of the Period of Insurance
 - (b) Totally exhausted then this policy shall continue in force as Primary Policy until expiry hereof

SPECIFIC EXCLUSIONS

1. Watercraft, Aircraft

This insurance does not apply to death, injury, sickness or disease or death sustained by a person resulting from such injury, sickness or disease including mental injury mental anguish and shock or to physical damage to, loss of use or destruction of tangible property arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft of more than 8.0 meters in length or any aircraft owned by you or rented to you.

2. Motor Vehicles

This insurance does not apply to death, injury, sickness or disease or death sustained by a person resulting from such injury, sickness or disease including mental injury mental anguish and shock or to physical damage to, loss of use or destruction of tangible property resulting from the use of any registered Motor Vehicle owned by or in your physical legal control or in respect of which insurance is required by virtue of any legislation relating to Motor Vehicles.

Provided that:

- (i) This exclusion shall not apply where coverage is provided under any Underlying Insurance (Primary Insurance) relating to the use of Motor Vehicles, or the excess provided in the schedule of insurance
- (ii) Xenturion Insurance Company Limited will not pay for so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This extension shall apply notwithstanding that no insurance under such enactment is in force or has been affected.

SECTION 13: FIRE

INSURED EVENTS

We will indemnify you against loss or damage to the whole or part of the property insured, defined below, owned by you or for which you are responsible, including alterations made by you as a tenant to the buildings and structures by:

1. Fire,
2. Lightning or thunderbolt,
3. Explosion or volcanic eruption,
4. Earthquake,
5. Storm, wind, water, hail, snow excluding damage to property:
 - a) arising from its undergoing any process necessarily involving the use or application of water.
 - b) caused by tidal wave originating from earthquake or volcanic eruption.
 - c) in the underground workings of any mine (unless specifically insured).
 - d) in the open (unless designed to exist or operate in the open and specifically insured).
 - e) in any structure not completely roofed (unless specifically insured).
 - f) between retaining walls (unless specifically insured).
6. Impact by vehicles, tractors, harvesters, trailers, agricultural implements, locomotives, aircraft and other aerial devices or articles dropped therefrom,
7. Damage by animals, falling trees, aerals or satellite dishes excluding damage to such animals, falling trees, aerals or satellite dishes,
8. Damage caused by discharge or leakage from any sprinkler, drencher system or fire extinguishing installation or appliance.

DEFINITIONS

Risk Address means the address shown on the schedule under **Fire Section**

Property Insured means:

1. Buildings consisting of Production units, Storage units, Grain silos, Slaughter houses, Cold rooms, Pump houses, Workshops, Tool sheds, Farm schools, Farm shops and Farm-workers living quarters at the Risk address and noted on the site plan of the farm to be lodged with us, to form part of this insurance contract, at inception of this policy and updated every anniversary.
2. Plant and equipment in the Buildings described in 1. above and noted on the site plan of the farm to be lodged with us, to form part of this insurance contract, at inception of this policy and updated every anniversary.
3. Stock and Materials in Trade in the Buildings described in 1. above and noted on the site plan of the farm to be lodged with us, to form part of this insurance contract, at inception of this policy and updated every anniversary.
4. Office equipment in the buildings described in 1. above and noted on the site plan of the farm to be lodged with us, to form part of this insurance contract, at inception of this policy and updated every anniversary. (excluding electronic data processing equipment which must be specified on the Electronic Equipment Section)
5. Animal feed:
 - a) In the open
 - b) In buildings
6. Irrigation systems
7. Windmills
8. Hammer mills and feeders
9. Fuel Storage tanks and Contents
10. Green houses and tunnels
11. Pallets and Drying racks
12. Miscellaneous as described on the schedule

Wall Construction:

- a) If described as Standard Construction it means built of brick, stone or concrete
- b) If described as Non-Standard Construction it means built of materials other than brick, stone or concrete or is open sided.

Roof Construction: will be described as slate, tile, concrete, asbestos, metal or thatch.

EXCEPTIONS

Unless specifically included, this insurance does not cover:

1. Damage to property occasioned by it undergoing any heating or drying process.
2. Damage to property which at the time thereof is insured by or would, but for the existence of this insurance, be insured by any marine policy(ies), except in respect of any excess beyond the amount which would have been payable under the marine policy(ies) had this insurance not been affected.

CONDITIONS

Average

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then you shall be considered as being your 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.

OPTIONAL CLAUSES AND EXTENSIONS

1. Subsidence and landslip – extended cover (if stated in the schedule to be included)

We will pay you for loss of or damage to your house caused by subsidence or landslip or both up to the Sum insured stated on your schedule. However, you are not covered if this is caused by:

1. normal settlement, shrinkage or expansion of the building
2. structural alterations, additions or repair
3. the compaction of infill
4. defective or faulty design, materials or workmanship excavations other than mining operations
5. removal or weakening of support the building.

In addition, we are not liable for loss or damage to septic and conservancy tanks or drains and water courses unless the building is damaged at the same time by the same insured event.

Any damage that existed before your policy started.

If required, you will have to prove that the loss or damage being claimed for was caused by subsidence or landslip.

Subsidence means sinking – it is the vertical, downward movement of soil. It includes settlement, which is a lateral movement.

Landslip means the sliding down of a mass of land. It is, in effect, a small landslide and it typically occurs on a slope.

2. Malicious damage extension (if stated in the schedule to be included)

Damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage other than damage to:

1. Moveable property which is:
 - a) Stolen,
 - b) Damaged in an attempt to remove it or part of it from any premises owned or occupied by yourself.
2. Moveable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by yourself.
3. Immoveable property owned or occupied by yourself occasioned by or through or in consequence of:
 - a) The removal or partial removal or any attempt thereof of,
 - b) The demolition or partial demolition or any attempt thereof of;
 - c) The said immovable property or any part thereof with the intention of stealing any part thereof.

Provided that this extension does not cover:

- i) Damage related to or caused by fire or explosion.
- ii) Consequential or indirect damage of any kind or description whatsoever, other than loss of rent if specifically insured.
- iii) Damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.
- iv) Damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or

requisition by any lawfully constituted authority.

- v) Damage related to or caused by any occurrence referred to in General exception 1(a) (i), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If we allege that, by reason of proviso (i), (ii), (iii), (iv) or (v), loss or damage is not covered by this section, the burden of proving the contrary shall rest with you.

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

3. Stock declaration conditions (if stated in the schedule to be included)

In respect of stock and materials in trade insured under this section being subject to the stock declaration conditions, the premium is calculated on 75 percent of the sum or sums insured thereon, subject to the following specific conditions:

1. You shall declare to us in writing the market value of your stock and materials in trade on the last day of each month/quarter (as stated in the schedule) and shall make such declaration within 30 days thereof, otherwise you shall be deemed to have declared the sum insured on such property as the market value thereof.
2. After each period of insurance, the premium shall be calculated on the average sum insured, namely the total of the values declared or deemed to have been declared, divided by the number of declarations due to have been made. If the resultant premium differs from the provisional premium, the difference shall be payable by or to you as the case may be, but the amount payable by us shall not exceed 50 percent of the provisional premium.
3. Any claim hereunder shall be settled on the basis of the market value immediately anterior to the damage.
4. If, after the occurrence of damage, it is found that the amount of the last declaration is less than the amount that ought to have been declared, then the amount which would have been recoverable by you shall be reduced in such proportion as the amount of the said declaration bears to the amount that ought to have been declared or to the sum insured, whichever is the lesser amount. The provisions of this condition shall, if applicable, operate cumulatively with the provisions of the specific condition relating to average.
5. In consideration of the insurance not being reduced by the amount of any loss, you shall pay additional premium on the amount of the loss from the date thereof to expiry of the period of insurance and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment premium.
6. Our liability shall not exceed the sum insured and premium shall not be receivable on values in excess thereof.

The above specific conditions shall apply separately to each item of the specification to which these stock declaration conditions apply.

4. Escalator clause extension (if stated in the schedule to be included)

During each period of insurance, the sum(s) insured under columns 1 and/or 3 of this section shall be increased by that portion of the percentage specified in the schedule which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the sum(s) insured in force at the commencement of the period of insurance. At each renewal date, you shall notify us of the sum(s) to be insured for the forthcoming period of insurance and the percentage increase required for such period. In default thereof, the provisions of this clause shall cease to apply. The additional premium for this extension shall be 50 percent of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

5. Disposal of salvage clause (if stated in the schedule to be included)

Without diminishing our rights to rely on the provisions of the general conditions in the event of a loss, we agree that we will not sell or otherwise dispose of any property which is the subject of a claim hereunder without your consent provided that you can establish to our satisfaction that to do so will prejudice their interests in which event we agree to give you first option to repurchase such property at its fair intrinsic value or market value whichever is the lesser.

AUTOMATIC CLAUSES AND EXTENSIONS

1. Rent

We will pay the reasonable amount of rent receivable, rent payable or rental value (as the case may be) defined hereunder in the event of the premises stated in the schedule being rendered untenable during the term specified therein in consequence of damage by a defined event.

1. Rent receivable – the actual rent receivable by you at the time of the event in respect of the aforesaid premises or on such part of the same as may then be let.
2. Rent payable – the actual rent payable by you to the owner or landlord of the said premises.
3. Rental value – the actual rental value of the said premises.

The amount payable in terms of this clause shall be in the proportion which the amount insured bears to the actual rent receivable/rent payable or rental value of the premises as the case may be and if the premises are not untenable during the whole aforesaid term, we shall only be liable to pay such proportion of the amount payable as the period of time during which the premises may remain untenable bears to the whole term specified above, but the period shall not exceed the time which would be required to place the premises in a tenable condition.

2. Subsidence and landslip – limited cover - We will pay you for loss of or damage to your house caused by subsidence or landslip or both up to the Sum insured stated on your schedule. However, you are not covered if this is caused by:

1. normal settlement, shrinkage or expansion of the building,
2. structural alterations, additions or repairs,
3. the compaction of infill,
4. defective or faulty design, materials or workmanship,
5. excavations other than mining operations,
6. removal or weakening of support,
7. contraction or expansion of soil, clay or similar types of soil moisture or damp.

In addition, we are not liable for:

- a. loss or damage to swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences, retaining and screening walls – unless the building is damaged at the same time by the same event,
- b. loss or damage to solid floor slabs or any part of the building resulting from the movement of the slabs, unless the foundation supporting the external walls are damaged by the same cause at the same time,
- c. Any damage that existed before your cover started,
- d. work necessary to prevent further loss or damage from subsidence and landslip, except where appropriate design precautions were implemented during the original construction of the building or any subsequent additions to it.

If required, you will have to prove that the loss or damage being claimed for was caused by subsidence or landslip.

Subsidence means sinking – it is the vertical, downward movement of soil. It includes settlement, which is a lateral movement.

Landslip means the sliding down of a mass of land. It is, in effect, a small landslide and it typically occurs on a slope.

3. Designation of property clause

For the purpose of determining where necessary any property is insured, we agree to accept the designation under which such property has been entered into your books.

3. Alterations and misdescription clause

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

4. Architects and other professional fees clause

The insurance under the property insured shall include professional fees (for estimates, plans, specifications, quantities,

FIRE

tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 15 percent of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of your claim.

5. Capital additions clause

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

6. Cost of demolition and clearing and erection of hoardings clause

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

We will pay for any costs or expenses:

1. Incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
2. Arising from pollution or contamination of property not insured by this policy/section.

7. Fire extinguishing charges clause

Any costs relating to the extinguishing or fighting of fire, shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which we may be liable in terms of this section provided that you are legally liable for such costs and the insured property was in danger from the fire.

8. Mortgagee clause

The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall, however, inform us as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by us.

9. Public authorities' requirements clause

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

1. the amount recoverable under this clause shall not include
 - a) the cost incurred in complying with any of the aforesaid regulations
 - i) in respect of damage occurring prior to granting of this clause
 - ii) in respect of damage not insured under this section
 - iii) under which notice has been served upon the insured prior to the happening of the damage
 - iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) of that portion damaged
 - b) the additional cost that would have been required to make good the property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen
 - c) the amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations
2. the work of repairing or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of the company under this clause not being thereby increased
3. if the liability of the company under any item of this section apart from this clause shall be reduced by the application of any of the terms, exceptions and conditions of this section, then the liability of the company under this clause in respect of any such item shall be reduced in like proportion
4. the total amount recoverable under any item of this section shall not exceed the sum insured thereby.

10. Railway and other subrogation clause

The insured shall not be prejudiced by signing the "Transnet Cartage (Hazardous Premises) Indemnity" or other special

agreements with Transnet Administration regarding private sidings or similar agreements with other government bodies.

11. Reinstatement value conditions clause

In the event of property other than stock being damaged, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than the insured property when new provided that

1. the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable despatch, otherwise no payment, beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein, shall be made.
2. until expenditure has been incurred by the insured in replacing or reinstating the property, the company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein.
3. if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged, exceeds the sum insured thereon at the commencement of any damage to such property by a defined event, then the insured shall be considered as being their own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.
4. these conditions shall be without force or effect if
 - a) the insured fails to intimate to the company within six months of the date of damage or such further time as the company may in writing allow, his intention to replace or reinstate the property
 - b) the insured is unable or unwilling to replace or reinstate the property on the same or another site.

12. Alternative replacement conditions (design capacity) clause

In the event of property insured which has a measurable function, capacity or output being damaged by a defined event and it not being possible to replace or reinstate such property in terms of the reinstatement value conditions, then the company will pay the cost of replacing such property with property the quality, capacity, function or output of which is as near as possible but not inferior to that of the original property provided that

1. proviso 1, 2, 3 and 4 of the reinstatement value conditions apply equally to this clause
2. in applying the provisions of proviso 3 of the reinstatement value conditions, the cost (as provided for in proviso 3) "which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged" will be increased by such amount payable under the alternative replacement clause which is in excess of that which would have been payable under the reinstatement value conditions clause, had it been possible to reinstate or replace the property in terms thereof.

13. Temporary removal clause

Except in so far as it is otherwise insured the property insured is covered whilst temporarily removed elsewhere on the premises stated in the schedule or to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi provided that

1. unless such temporary removal is for the purpose of cleaning, renovation, repair or similar process, the liability of the company shall not exceed 15 per cent of the sum insured applicable to any item.
2. the amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the property is temporarily removed.

14. Tenants clause

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

assumed by the company.

15. Stock declaration conditions (if stated in the schedule to be included)

In respect of stock and materials in trade insured under this section being subject to the stock declaration conditions, the premium is calculated on 75 per cent of the sum or sums insured thereon, subject to the following specific conditions:

1. a) The insured shall declare to the company in writing the market value of their stock and materials in trade on the last day of each month/quarter (as stated in the schedule) and shall make such declaration within 30 days thereof, otherwise they shall be deemed to have declared the sum insured on such property as the market value thereof.
- b) After each period of insurance, the premium shall be calculated on the average sum insured, namely the total of the values declared or deemed to have been declared, divided by the number of declarations due to have been made. If the resultant premium differs from the provisional premium, the difference shall be payable by or to the insured as the case may be, but the amount payable by the company shall not exceed 50 per cent of the provisional premium.
2. Any claim hereunder shall be settled on the basis of the market value immediately anterior to the damage.
3. If, after the occurrence of damage, it is found that the amount of the last declaration is less than the amount that ought to have been declared, then the amount which would have been recoverable by the insured shall be reduced in such proportion as the amount of the said declaration bears to the amount that ought to have been declared or to the sum insured, whichever is the lesser amount. The provisions of this condition shall, if applicable, operate cumulatively with the provisions of the specific condition relating to average.
4. In consideration of the insurance not being reduced by the amount of any loss, the insured shall pay additional premium on the amount of the loss from the date thereof to expiry of the period of insurance and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment premium.
5. The liability of the company shall not exceed the sum insured and premium shall not be receivable on values in excess thereof.
6. The above specific conditions shall apply separately to each item of the specification to which these stock declaration conditions apply.

16. Public supply connections clause

This section is extended to cover accidental damage to water, sewerage, gas, electricity, and telecommunication connections, the property of the insured or for which they are legally responsible between the property insured and the public supply or mains.

17. Escalator clause extension (if stated in schedule to be included)

During each period of insurance, the sum(s) insured under columns 1 and/or 3 of this section shall be increased by that portion of the percentage specified in the schedule which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the sum(s) insured in force at the commencement of the period of insurance.

At each renewal date, the insured shall notify the company of the sum(s) to be insured for the forthcoming period of insurance and the percentage increase required for such period. In default thereof, the provisions of this clause shall cease to apply.

The additional premium for this extension shall be 50 per cent of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

18. Disposal of salvage clause (if stated in the schedule to be included)

Without diminishing the rights of the company to rely on the provisions of the general conditions in the event of a loss, the company agrees that it will not sell or otherwise dispose of any property which is the subject of a claim hereunder without the consent of the insured provided that the insured can establish to the satisfaction of the company that to do so will prejudice their interests in which event the company agrees to give the insured first option to repurchase such property at its fair intrinsic value or market value whichever is the greater.

The insured shall not be entitled under the provisions of this clause to abandon any property to the company whether taken possession of by the company or not.

SECTION 14: BUSINESS INTERRUPTION

DEFINITIONS AND EXPLANATIONS SPECIFIC TO THIS SECTION

Whilst the following definitions relate to this section specifically, they must also be read in conjunction with the general Definitions of this policy.

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

Turnover The money paid or payable to the insured for goods sold and delivered and for services rendered in the course of the business at the premises.

Revenue The money paid or payable to the insured for goods sold and for services rendered in the course of the business at the premises.

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

Gross profit (difference basis) The amount by which

(1) the sum of the turnover and the amount of the closing stock shall exceed

(2) the sum of the amount of the opening stock and the amount of the uninsured costs.

The amount of the opening and closing stocks shall be arrived at in accordance with the insured's normal accountancy methods, due provision being made for depreciation.

Uninsured costs As specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books and accounts of the insured).

Gross profit (additions basis) The sum produced by adding to the net profit the amount of the insured standing charges or, if there is no net profit, the amount of the insured standing charges less such proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.

Net profit The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the insured at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

Insured standing charges As specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the insured).

Standard turnover, Standard revenue, Standard gross rentals The turnover (revenue) (gross rentals) during that period in the 12 months immediately before the date of the Damage which corresponds with the indemnity period, **Annual turnover, Annual revenue, Annual gross rentals** The turnover (revenue) (gross rentals) during the 12 months immediately before the date of the Damage, **Rate of gross profit** The rate of gross profit earned on the turnover during the financial year immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage. Note If the Damage occurs before the completion of the first year's trading of the business at the premises, the value of bracketed terms shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of Damage.

Memo

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

DEFINED EVENTS

Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under:

- i) the fire section of this policy
- ii) the buildings combined section of this policy
- iii) the office contents section of this policy
- iv) any other material damage insurance covering the interest of the insured but only in respect of perils insured under the fire section hereof (hereinafter termed Damage).

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

The company will indemnify the insured in accordance with the provisions of the specification hereinafter set out.

CONDITIONS

1. The insurance under this section shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the company.
2. On the happening of any Damage in consequence of which a claim may be made under this section, the insured shall, in addition to complying with general conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the indemnity period, or within such further time as the company may in writing allow, at their own expense deliver to the company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under this section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the company forthwith.

Item 1 Gross profit (difference basis)

The insurance under this item is limited to loss of gross profit due to

- a) reduction in turnover and
- b) increase in cost of working

and the amount payable as indemnity hereunder shall be

- a) **in respect of reduction in turnover** the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the Damage, fall short of the standard turnover
- b) **in respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

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

Item 1 Gross profit (additions basis)

The insurance under this item is limited to loss of gross profit due to

- a) reduction in turnover and
- b) increase in cost of working

and the amount payable as indemnity hereunder shall be

- a) in respect of reduction in turnover the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the Damage, fall short of the standard turnover

- b) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

less any sum saved during the indemnity period in respect of such of the insured standing charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

Memo

If any standing charges of the business are not insured under this section, then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the sum of the net profit and the insured standing charges bears to the sum of the net profit and all the standing charges.

Item 2 Gross rentals

The insurance under this item is limited to

- a) loss of gross rentals and
- b) increase in cost of working

and the amount payable as indemnity hereunder shall be

- a) in respect of loss of gross rentals, the amount by which the gross rentals during the indemnity period shall in consequence of the Damage fall short of the standard gross rentals
- b) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of gross rentals which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the amount of the loss of gross rentals thereby avoided

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

Item 3 Revenue

The insurance under this item is limited to

- a) loss of revenue and
- b) increase in cost of working

and the amount payable as indemnity hereunder shall be

- a) in respect of loss of revenue, the amount by which the revenue during the indemnity period shall, in consequence of the Damage, fall short of the standard revenue
- b) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of revenue which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the amount of loss of revenue thereby avoided

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

Item 4 Additional increase in cost of working

The insurance under this item is limited to reasonable additional expenditure (not recoverable under other items) incurred with the consent of the company during the indemnity period in consequence of the Damage for the purpose of maintaining the normal operation of the business.

Item 5 Wages (number of weeks basis)

The insurance under this item is limited to the loss incurred by the insured by the payment of wages for a period beginning with the occurrence of the Damage and ending not later thereafter than the specified number of weeks.

The amount payable as indemnity under this item will be the actual amount which the insured shall pay as wages for such period to employees whose services cannot, in consequence of the Damage, be utilised by the insured at all and an equitable part of the wages paid for such period to employees whose services cannot, in consequence of the Damage, be utilised by the insured to the full

provided that if the sum insured by this item is less than the aggregate amount of the wages that would have been paid during the specified number of weeks immediately following the Damage had the Damage not occurred, the amount payable will be proportionately reduced.

Item 6 Fines and penalties for breach of contract

The insurance under this item is limited to fines or penalties for breach of contract and the amount payable as indemnity hereunder shall be such sum as the insured shall be legally liable to pay and shall pay in discharge of fines or penalties incurred solely in consequence of Damage for non-completion or late completion of orders.

OPTIONAL CLAUSES AND EXTENSIONS**Extensions to other premises**

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as defined herein) at the undernoted situations or to property as undernoted shall be deemed to be loss resulting from Damage to property used by the insured at the premises.

a) Specified suppliers/sub-contractors (if stated in the schedule to be included)

The premises of the suppliers and sub-contractors specified in the schedule subject to stated limits.

b) Unspecified suppliers (if stated in the schedule to be included)

The premises of any other of the insured's suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any public supply undertaking from which the insured obtains electricity, gas or water subject to the limit stated in the schedule.

c) Storage, transit and vehicle

Property of the insured whilst stored or whilst in transit by air, road, rail or inland waterway or being motor vehicles of the insured elsewhere than at premises occupied by the insured.

d) Contract sites

Any situation not occupied by the insured where the insured is carrying out a contract

e) Prevention of access

Property within a 10-km radius of the insured's premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not.

f) Prevention of access -extended cover (if stated in the schedule to be included)

Property within a 10-km radius of the premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not.

g) Additional premises

In the event of the insured occupying or having property at any newly added premises for the purpose of the business during the currency of this section, such newly added premises shall be deemed to be included in those specified here subject to notification to the company as soon as reasonably practicable and to adjustment of the premium if necessary.

h) Customers (if stated in the schedule to be included)

The premises of the customers specified in the schedule subject to stated limits.

Public utilities -insured perils only (if stated in the schedule to be included)

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines of an authority empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to the premises of the insured.

Public telecommunications -insured perils only (if stated in the schedule to be included)

i) Property at the premises of any public authority which is empowered by law to supply a telecommunications facility to the insured

- ii) the transmission facilities network of the public authority mentioned in (i).

Public telecommunications -extended cover (if stated in the schedule to be included)

Loss as insured resulting from interruption of or interference with the business in consequence of the failure of the public telecommunication facilities to the premises of the insured shall be deemed to have resulted from Damage (as defined herein) provided this extension does not cover loss resulting from damage directly or indirectly caused by:

- (i) drought
- (ii) a fault on any part of the premises belonging to the insured
- (iii) a decision by any authority to legally withhold the telecommunication facility from the insured unless such decision is directly attributable to Damage to property of such authority
- (iv) any event described in general exception 1 and 2, but cover provided under the Malicious damage extension in the underlying policy is not excluded.

If the failure of the facility is due to its mechanical or electrical or electronic breakdown, there shall be no liability under this extension unless the interruption or interference with the business of the insured extends beyond 24 hours.

Public utilities -extended cover (if stated in the schedule to be included)

Loss as insured resulting from interruption of or interference with the business in consequence of total or partial failure of the public supply of water, gas or electricity to the premises of the insured shall be deemed to have resulted from Damage (as defined herein) provided that this extension does not cover loss resulting from damage directly or indirectly caused by:

- i) drought
- ii) pollution of water
- iii) shortage of fuel or water
- iv) a fault on any part of the installation belonging to the premises
- v) the exercise of an authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority
- vi) any event described in General exception 1 and 2, but cover provided by the Malicious damage extension in the underlying material damage section of this policy is not excluded.

In respect of interruption of or interference with the business arising from mechanical or electrical or electronic breakdown, there shall be no liability under this extension for interruption of or interference with the business unless such interruption or interference extends beyond 24 hours from commencement thereof.

The geographical limits of

- (b), (c), (d), (e), (f), (h), (i) and (j) of the extensions to other premises and the extended covers for public telecommunications and public utilities are confined to the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.
- (g) of the extensions to other premises is confined to the Republic of South Africa and Namibia.

Accidental damage (if stated in the schedule to be included)

The following defined event is added:

"Loss following interruption or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under defined event (i) of the Accidental damage section of this policy (hereinafter termed Damage) provided that:

- a) the provision under any item of this section that the payment will be reduced proportionately if the amount insured by the item is not adequate, is deleted in respect of this defined event.
- b) the company shall not pay more than the sum insured stated in the schedule of the Accidental damage section for both this section and the Accidental damage section combined."

AUTOMATIC CLAUSES AND EXTENSIONS

Accountants clause

Any particulars or details contained in the insured's books of account or other business books or documents which may be required by the company under this section for the purpose of investigating or verifying any claim hereunder, may be produced and certified by the insured's auditors or professional accountants, and their certificate shall be prima facie evidence of the particulars and details to which it relates.

Accumulated stocks clause

BUSINESS INTERRUPTION

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover or revenue due to the Damage is postponed by reason of the turnover or revenue being temporarily maintained from accumulated stocks.

Departmental clause

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under items 1 (gross profit), 2 (gross rentals) or 3 (revenue) relating to reduction in turnover/gross rentals/revenue and increase in cost of working, shall apply separately to each department or branch affected by the Damage, except that if the sum insured by the relative item is less than the aggregate of the (annual gross rentals) (annual revenue) (sums produced by applying the rate of gross profit) for each department or branch, whether or not affected by the Damage, (to the relative annual turnover thereof) (proportionately increased if the number of months referred to in the definition of indemnity period exceeds 12), the amount payable shall be proportionately reduced.

Deposit premium clause

In consideration of the premium by items 1, 2 or 3 being provisional in that it is calculated on 75 per cent of the sum insured, the premium is subject to adjustment on expiry of each period of insurance as follows In the event of the gross profit/gross rentals/revenue earned (increased proportionately if the number of months referred to in the definition of indemnity period exceeds twelve) during the financial year most nearly concurrent with any period of insurance being less or greater than 75 per cent of the sum insured thereon, a pro rata return or additional premium not exceeding 33 1/3 per cent of the provisional premium paid for such period of insurance will be made in respect of the difference.

In the event of a claim being made under this section, the amount paid or payable thereon shall be regarded as actually earned.

Output (alternative basis) clause

At the option of the insured, the term output may be substituted for the term turnover and, for the purposes of this section, output shall mean the sale or transfer value, as shown in the insured's books, of goods manufactured or processed by the insured at the premises

provided that

- a) only the meaning of output or the meaning of turnover shall be operative in connection with any one event resulting in interruption
- b) if the meaning of output be used
 - i) the accumulated stocks clause shall be inoperative
 - ii) the memo at the end of the definitions shall read

If, during the indemnity period, goods shall be manufactured or processed other than at the premises for the benefit of the business either by the insured or by others on behalf of the insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the indemnity period.

Salvage sale clause

If the insured shall hold a salvage sale during the indemnity period clause (a) of item 1 (gross profit) shall, for the purposes of such claim, read as follows

- a) in respect of reduction in turnover the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period (less the turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the standard turnover, from which sum shall be deducted the gross profit actually earned during the period of the salvage sale.

SECTION 15: ACCOUNTS RECEIVABLE

DEFINED EVENTS

Loss or damage as a result of accident or misfortune (hereinafter termed Damage) to the insured's books of account or other business books or records at the premises or at the residence of any director, partner or employee or the premises of any accountant of the insured, in consequence whereof the insured is unable to trace or establish the outstanding debit balances in whole or part due to it.

provided that the liability of the company shall not exceed the sums insured stated in the schedule and that the basis of indemnity will be as set out in the specification which forms part of this section.

If, because of imminent danger of their destruction, such books of account or other business books or records are removed to a place of safety, the insurance hereunder shall apply if such goods are destroyed, damaged or lost as aforesaid during such removal or while so located or being returned to the premises, provided the insured shall notify the company in writing of such removal within 30 days thereafter.

The company will also pay all reasonable collection costs and expenses incurred by the insured in excess of normal collection costs and expenses made necessary because of such Damage.

CONDITIONS

The company will not pay for

- a) loss resulting from loss or damage to the books of account or other business books or records caused by
 - i) wear and tear or gradual deterioration or moths or vermin
 - ii) detention, seizure or confiscation by any lawfully constituted authority
 - iii) electrical or electronic or magnetic injury, disturbances or erasure unless the insured maintains the duplicate records referred to in the Duplicate records clause of this section, in which case the insured will be responsible for the first R500 of each and every loss;
- b) loss caused by fraud or dishonesty of any principal, director, partner or employee of the insured.

SPECIFICATIONS

The insurance under this section is limited to the loss sustained by the insured in respect of outstanding debit balances directly due to the Damage and the amount payable shall not exceed

- i) the difference between
 - a) the outstanding debit balances
 - and
 - b) the total of the amounts received or traced in respect thereof
- plus
- ii) the additional expenditure incurred in tracing and establishing customers' debit balances after the Damage provided that, if the sum insured under this item is less than the outstanding debit balances, the amount payable shall be proportionately reduced.

DEFINITIONS

Outstanding debit balances

The total declared in the statement last given under the provisions of the following memorandum adjusted for

- a) bad debts
 - b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customers' accounts in the period between the date to which said last statement relates and the date of the Damage
 - and
 - c) any abnormal condition of trade which had or could have had a material effect on the business
- so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the Damage had the Damage not occurred.

CLAUSES AND MEMORANDA

Declarations

The insured shall, within 60 days of the end of each month or other agreed period, deposit with the company a signed statement showing the total amount outstanding in customers' accounts as set out in the insured's accounts as at the end of the said month.

Adjustment

In consideration of the premium under this section being provisional in that it is calculated on 75 per cent of the sum insured, the premium will be adjusted as follows:

On the expiry of each period of insurance, the actual premium shall be calculated at the rate per cent per annum on the average amount insured, i.e. the total of the sums declared divided by the number of declarations. If the actual premium is greater than the provisional premium, the insured shall pay the difference. If it is less, the difference shall be repaid to the insured, but such repayment shall not exceed 33,3 per cent of the provisional premium paid.

If the amount of a declaration exceeds the sum insured applicable at the date of such declaration, then for the purposes of this memorandum only, the insured shall be deemed to have declared such sum insured.

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

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

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

provided that this extension does not cover:

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

If the company alleges that, by reason of 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.

Accountants clause

Any particulars or details contained in the insured's books of account or other business books or records which may be required by the company under this section for the purpose of investigating or verifying any claim hereunder, may be produced and certified by the insured's auditors or professional accountants, and their certificate shall be prima facie evidence of the particulars and details to which it relates.

Duplicate records (if stated in the schedule to be included)

The insured shall maintain duplicates of their books of account or other business books or records containing details of outstanding balances and such duplicates shall be stored at different premises from the originals.

Protections (if stated in the schedule to be included)

The insured's books of account, or other business books or records containing details of outstanding balances, must be kept in a fire-resistant safe, cabinet or strong room outside business hours unless they are being worked on or are required for immediate reference.

Transit extension (if stated in the schedule to be included)

The insurance under this section includes loss as defined to the insured's books of account or other business books or records whilst in transit to or from the premises or residence of any director, partner, employee or accountant of the insured.

SECTION 16: FIDELITY

DEFINED EVENTS

1. Loss of money and/or other property belonging to the insured or for which they are responsible, stolen by an insured employee during the currency of this section
2. Direct financial loss sustained by the insured as a result of fraud or dishonesty of an insured employee all of which occurs during the currency of this section which results in dishonest personal financial gain for the employee concerned provided that
 - i) (a) the company is not liable for all losses which occurred more than 24 months prior to discovery;
(b) all losses are discovered not later than 12 months after the termination of:
 - (i) this section, or
 - (ii) this section in respect of any insured employee concerned in a loss, or
 - (iii) the employment of the insured employee or the last of the insured employees concerned in a losswhichever occurs first;
 - ii) (a) **BLANKET BASIS** - the liability of the company for all losses shall not exceed the sum insured stated in the schedule whether involving any one employee or any number of employees acting in collusion or independently of each other;
(b) **NAMED OR POSITION BASIS** - the liability of the company for all losses involving any employee shall not exceed the sum insured stated opposite his name in the schedule or, if he is unnamed, the sum insured stated opposite the position held by him in the business as stated in the schedule;
 - iii) renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing the liability of the company beyond the sum insured stated in the schedule. If the period of insurance is less than 12 months the company's liability is limited to the sum stated in the schedule during any 12-month period of insurance calculated from inception or renewal;
 - iv) the term "dishonest personal financial gain" shall not include gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.

DEFINITION

Employee shall mean

- a) any person while employed under a contract of service with or apprenticeship to the insured;
 - b) any person while hired or seconded from any other party into the service of the insured;
- who the insured has the right at all times to govern, control and direct in the performance of his work in the course of the business of the insured and who, if this section is on a named and/or position basis, is described in the schedule by name and/or by the position held by him in the business.

SPECIFIC EXCEPTIONS

1. The company shall not be liable for
 - a) loss resulting from or contributed to by any defined event by
 - i) any partner in or of the insured to the extent that such partner would benefit by indemnity granted under this policy;
 - ii) any principal, director or member of the insured unless such director or member is also an employee;
 - iii) any employee from the time the insured shall become aware that such employee has committed any fraud or dishonesty;
 - b) any consequential losses of any kind following losses referred to under defined events.
2. This section does not cover any company or other legal entity acquired during the period of insurance.
3. The company shall not be liable for any defined event if it results from the dishonest
 - i) manipulation of
 - ii) input into
 - iii) suppression of input into
 - iv) destruction of
 - v) alteration ofany computer program, system, data or software by any insured employee who is employed in the insured's electronic data-processing department or area.

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

4. The company shall only be liable to the extent of the participation/shareholding of any uninvolved partners/principals/directors or members for an insured event in which any partner/principal/director or member of the insured is or has been directly involved.

This specific exception only applies to Partnerships, Proprietary Companies or Close Corporations.

SPECIFIC CONDITIONS

1. The insured shall institute and/or maintain and continue to employ in every material manner all such systems of check and control, accounting and clerical procedures and methods of conducting his business as has been represented to the company but the insured may:
 - a) change the remuneration and conditions of service of any employee;
 - b) in respect of any employee who is described in the schedule by name, change his duties and position;
 - c) in respect of any employee who is described in the schedule only by the position held by him, remove such employee and place in his position any other person who falls within the definition of employee;
 - d) make such other changes as are approved beforehand in writing by the insured's auditors.
2. If the insured shall sustain any loss to which this section applies which exceeds the amount payable hereunder in respect of such loss, the insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or effected by the company or for the amount of any first amount payable) by whomsoever made on account of such loss until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the company and the insured to the extent of his coinsurance in terms of item (b) the compulsory first amount payable clause.

CLAUSES AND EXTENSIONS

Accountants clause

Any particulars or details contained in the insured's books of account or other business books or documents which may be required by the company under this section for the purpose of investigating or verifying any claim hereunder may be produced and certified by the insured's auditors or professional accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.

Extended cover for past employee's extension

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

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

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

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

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

1. this extension is restricted to losses which would have been payable by the superseded insurance but which are not claimable because of the expiry of the period of time allowed by the superseded insurance for the discovery of the defined events;
2. the defined events are discovered within the shorter period of 12 months of the termination of the employment of the employee concerned or 12 months of the expiry of this section;
3. the amount payable under this extension shall not exceed the amount insured by this section or the amount insured by the superseded insurance whichever is the lesser;
4. in the event of the defined events involving one employee or any number of employees occurring during both the currency of this section and that of the superseded policy, the maximum amount payable shall not exceed the amount insured by this section at the time of discovery of the defined events;

5. this extension will not apply to defined events which occurred more than the number of years stated in the schedule before inception of this section;
6. the company is not liable for any loss which occurred more than 24 months prior to discovery.

Other insurances

It is a condition of this section that other than

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

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

Compulsory first amount payable

The amount payable under this section in respect of a defined event involving one employee or any number of employees acting in collusion shall be reduced by:

- a) 2% of the aggregate of the sum insured under this section and the declared insurance or R60, 000 whichever is the lesser plus
- b) a further amount of 10% of the net amount payable after deduction of the amount specified in (a) above.

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

Computer losses first amount payable

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

- i) manipulation of
- ii) input into
- iii) suppression of input into
- iv) destruction of
- v) alteration of

any non-networked micro/personal computer program, system, data or software by any insured employee whose duties involve the managing, supervision, design, creation or alteration of computer systems or programs.

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

If any defined event is discovered more than 12 months after:

1. It was committed
2. the first event in a series of events committed by one person or a number of persons acting in collusion

the percentages contained in the first amount payable clause are increased as follows:

First Amount payable	First amount payable increased to percentage shown below	
	If losses are discovered more than 12 months after being committed but not more than 24 months thereafter.	If policy has been extended to cover that part of losses discovered more than 24 months after being committed but not more than 36 months thereafter.
Compulsory Paragraph (a)	From 2% to 4%	From 2% to 5%
Paragraph (b)	From 10% to 15%	From 10% to 20%
Computer losses	From 20% to 30%	From 20% to 35%

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

Voluntary first amount payable clause (if stated in the schedule to be included)

In addition to the amount payable by the insured under the compulsory first amount payable clause, the insured shall be responsible for the difference between such amount and the amount stated in the schedule as the voluntary first amount payable provided such voluntary amount exceeds the compulsory amount.

Reduction/Reinstatement of insured amount clause (if stated in the schedule to be included)

The payment by the company of any loss involving one employee or any number of employees shall not reduce the company's liability in respect of the remaining insured employees provided that:

1. the maximum amount payable by the company for all insured employees shall not exceed double the sum insured shown in the schedule;
2. the insured pays additional premium calculated in terms of the following formula:

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

The additional premium shall be payable in full and may not be reduced due to the period between the date of discovery of loss and the expiry date being less than 12 months.

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

If the insured shall sustain any loss to which this section applies which exceeds the sum insured hereunder, the company will, in addition to the sum insured, pay to the insured costs and expenses not exceeding the amount stated in the schedule necessarily incurred with the consent of the company (which consent shall not be unreasonably withheld) for the recovery or attempted recovery from the employee in respect of whom the claim is made, of that part of the loss which exceeds the sum insured hereunder. All amounts recovered by the insured in excess of the said part of the loss shall be for the benefit of the company and the insured to the extent of his coinsurance in terms of item (b) the compulsory first amount payable clause.

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

The insured having completed a satisfactory questionnaire, specific exception 3 and the Computer losses first amount payable clause are deleted.

Extension for losses discovered more than 24 months after being committed but not more than 36 months thereafter (if stated in the schedule to be included)

1. In consideration of the payment of an additional premium, proviso 1(a) of the defined events is restated to read:
 1. a) the company is not liable for all losses which occurred more than 36 months prior to discovery.
2. If this policy section includes the superseded policy clause, the period referred to in proviso 6 thereof is increased from 24 months to 36 months.

Extension granted on receipt of a satisfactory systems audit in respect of losses discovered more than 24 months after being committed (if stated in the schedule to be included)

In consideration of the accounting firm named in the schedule having conducted a satisfactory audit of the insured's systems of - control

- fraud dishonesty and theft detection

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

1. proviso 1(a) of the defined events (*which limits cover to that part of losses discovered within 24 months*) and proviso 6 of the superseded insurance extension clause (*if applicable*) are deleted
2. if any defined event is discovered more than 12 months after it was committed, the percentages contained in the undernoted first amount payable clauses are increased as follows:

First amount payable clause	First amount payable increased to percentage shown below if losses discovered more than 12 months after being committed
Compulsory	
Paragraph (a)	From 2% to 3%
Paragraph (b)	From 10% to 12.5%
Computer losses	From 20% to 25%

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

3. The first amount payable clause for losses discovered more than 12 months after they were committed is deleted.

MEMORANDA

1. In the event of the discovery of any loss resulting from a defined event, the insured may, notwithstanding anything to the contrary contained in paragraph (ii) of general condition 6, refrain from reporting the matter to the police but shall do so immediately should the company require such action to be taken.
2. Non-disclosure of his own fraud or dishonesty or that of others with whom he is in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section.
3. General exceptions 1 and 2 and general condition 9 do not apply to this section.
4. If the sum insured shall be increased at any time, such increased amount shall apply only to defined events committed after the date of such increase.

SECTION 17: THEFT

DEFINED EVENTS

Loss of or damage to all contents (the property of the insured or for which they are responsible) of any insured building at the insured premises described in the schedule as a result of theft accompanied by forcible and violent entry into or exit from such building or any attempt thereat or as a result of theft, or any attempt thereat, following violence or threat of violence.

LIMIT OF INDEMNITY

The liability of the insurer for loss of, or all damage arising from all occurrences of a series consequent upon, or attributable to one source or original cause shall not exceed the limit of indemnity stated in the schedule provided that the insurers' liability in respect of documents, manuscripts, business books, computer systems records and media, plans, designs, patterns, models and moulds is restricted to the value of materials and sums expended in labour.

EXTENSIONS

1. The insurance under this section extends to cover loss of or damage to the property insured
 - a) caused or accompanied by
 - i) a thief or thieves being concealed upon the insured premises before close of business
 - ii) entry to and/or exit from the premises being affected by use of a skeleton key or other similar device (excluding a duplicate key) provided that the insured shall establish to the satisfaction of the company that such a skeleton key or device was used
 - b) whilst in a building at any additional premises used by the insured provided that
 - i) such additional premises are advised to the company within 30 days from the time the risk attaches to the company
 - ii) an additional premium, if any, is paid
 - iii) the company's liability in respect of this extension shall not exceed 50% of the highest amount stated in the schedule applicable to any one premises.
2. In addition to the limit of indemnity stated in the schedule
 - a) the insurance under this section includes
 - i) damage to the buildings (including landlord's fixtures and fittings) at the insured premises in the course of theft or any attempt thereat
 - ii) loss of buildings, landlord's fixtures and fittings at the insured premises as a result of theft accompanied by forcible and violent entry into or exit from such building or any attempt thereat or as a result of theft, or any attempt thereat, following violence or threat of violence
 - b) the company will reimburse the insured all reasonable costs and expenses in effecting such temporary repairs and in taking such temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under this section provided that the company's liability shall not exceed the greater of R5,000 or the amount stated in the schedule in respect of any one event.
3. In addition to the limit of indemnity stated in the schedule the company will indemnify the insured in respect of the cost of replacing locks and keys to any insured premises following upon the disappearance of any key to such premises or following upon the insured having reason to believe that any unauthorized person may be in possession of a duplicate of such key provided that
 - a) the company's liability shall not exceed R3, 500 in respect of any one event
 - b) the company shall not be liable for the first R350 of each and every event.
4. The term all contents include personal effects, tools and pedal cycles the property of the insured or any principal, partner, director or employee of the insured in so far as such property is not otherwise insured up to an amount of R5,000 in the case of any one person.

LIMITATIONS

The company's liability in respect of documents, manuscripts, business books, computer system records and media, plans, designs, patterns, models and moulds are restricted to the value of materials and sums expended in labour.

SPECIFIC EXCEPTIONS

1. This section shall be voidable if the nature of the risk is materially altered without the prior written consent of the company.
2. In respect of any premises stated in the schedule to be subject to this condition at which a burglar alarm is installed it is a condition precedent to the liability of the company and warranted that
 - a) the burglar alarm installed at the premises shall be made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is on the premises
 - b) such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged his liability in this regard if he has maintained his obligations under a contract with the suppliers or servicing engineers of the alarm system.

This insurance shall not cover loss of or damage to the property following the use of the keys of the burglar alarm or any duplicate thereof belonging to the insured unless such keys have been obtained by violence or threat of violence to any person.

SECTION 18: MONEY

DEFINED EVENTS

Loss of or damage to money (as defined) occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe and Malawi except if otherwise specified

provided that the liability of the company for all loss or damage arising from all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the specific limitations stated in the schedule.

DEFINITIONS

Money shall mean cash, bank and currency notes, cheques, postal orders, money orders, current negotiable postage, revenue and holiday stamps, credit card vouchers and documents, certificates or other instruments of a negotiable nature, the property of the insured or for which they are responsible.

Receptacle shall mean any safe, strong room, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

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

EXTENSIONS

1. Receptacles and clothing

In addition to any payment in respect of a defined event, the company will indemnify the insured in respect of receptacles and clothing (as defined) lost or damaged as a result of theft of money or attempted theft of money, provided that the company's liability under this extension in respect of clothing shall not exceed R5,000, and in respect of receptacles, the amount stated in the schedule or R7,500 whichever is the greater.

2. Locks and keys

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

- i) the company's liability shall not exceed R10, 000 in respect of any one event
- ii) the company shall not be liable for the first R500 of each and every event.

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

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

- i) civil commotion, labour disturbances, riot, strike or lockout;
 - ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with, any occurrence referred to in (i) above;
- provided that this extension does not cover
- a) loss or damage occurring in the Republic of South Africa and Namibia;
 - b) consequential or indirect loss or damage of any kind or description whatsoever;
 - c) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
 - d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
 - e) loss or damage related to or caused by any occurrence referred to in general exception 1 (A), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with such occurrence.

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

4. Skeleton keys

The insurance under this section extends to cover loss of or damage to the property insured caused or accompanied by entry to receptacles by use of a skeleton key or other similar device (excluding a duplicate key) provided that the insured shall establish to the satisfaction of the company that a skeleton key or device was used.

5. Personal accident (assault) extension (if stated to be included)

The term "defined events" in the money section shall be deemed to include bodily injury, caused by accidental, violent external and visible means as a result of theft, or any attempt thereat, to the insured or to any principal, partner, director or employee of the insured (hereinafter in this extension referred to as such person) while such person is acting in the course of his duties in the insured's employ

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

1. Death	Capital sum
2. Permanent disability as below	Percentage of capital sum specified
a. Loss by physical separation at or above the wrist or ankle of one or more limbs	100
b. Permanent and total loss of	
i. Whole eye	100
ii. Sight of eye	100
iii. Sight of eye except perception of light	100
c. Permanent and total loss of hearing	
i. Both ears	100
ii. One ear	25
d. Permanent and total loss of speech	100
e. Injuries resulting in permanent total disability from following usual occupation and any other equivalent occupation for which the insured person is fitted by education, knowledge or training	100
f. Loss of four fingers	70
g. Loss of thumb	
i. Both phalanx	30
ii. One phalanx	15
h. Loss of index finger	
i. Three phalanges	15
ii. Two phalanges	10
iii. One phalanx	5
i. Loss of any other finger	
i. Three phalanges	10
ii. Two phalanges	8
iii. One phalanx	4
j. Loss of metacarpals	
i. First or second (Each metacarpal)	3
ii. Third, fourth or fifth (Each metacarpal)	2
k. Loss of toes	
i. All on one foot	30
ii. Great, both phalanges	10
iii. Great, one phalanx	5
iv. Other than great, if more than one toe lost, each	5

3. In the case of total and absolute incapacity from following usual business or occupation the weekly sum specified in the schedule shall be payable.

4. The reasonable expenses incurred, up to the sum specified in the schedule, shall be payable in respect of medical, surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses

MONEY

incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) incurred within 24 months of the defined event.

MEMORANDA (applicable to permanent disablement benefits)

- a. Where the injury is not specified the company will pay such sum as in its opinion is consistent with the above provisions
- b. Permanent total loss of use of part of the body shall be considered as loss of such part
- c. 100 per cent shall be the maximum percentage of compensation payable for disability resulting from an accident or series of accidents arising from one cause in respect of any such person provided that
 - i) the company shall not be liable to pay in respect of any one such person more than the capital sum plus the sums specified under items 3 and 4;
 - ii) the sum specified under item 3 shall be payable only for the duration of the incapacity of such person and shall not be payable for more than 104 weeks and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible notwithstanding that permanent disability may remain;
 - iii) compensation payable under item 4 shall be reduced by an amount equal to the compensation received or receivable under any workmen's compensation enactment in respect of any treatment for which compensation is payable under item 4;
 - iv) this extension shall not apply to any such person under 15 or over 75 years of age;
 - v) after suffering bodily injury for which benefit may be payable under this extension, such person shall submit to medical examination and undergo any treatment specified. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
 - vi) general exception 2 and general conditions 2 and 9 do not apply to this extension;
 - vii) in respect of this extension only general exception 1 is deleted and replaced by the following:

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

Extensions to the personal accident (assault) extension

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

SPECIFIC EXCEPTIONS

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

- 1) arising from dishonesty of any principal, partner, director or person or persons in the employ of the insured not discovered within working days of the occurrence thereof;
- 2) arising from shortage due to error or omission;
- 3) arising from the use of keys to any safe or strong room unless the keys
 - a) are obtained by violence or threats of violence to any person
 - b) are used by the keyholder or some other person with the collusion of the keyholder and the insured can prove to the satisfaction of the company that the keyholder or such other person had used the keys to open the safe or strong room;
- 4) in an unlocked safe or strong room whilst the portion of the premises containing such safe or strong room is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the keyholder to the safe or strong room deliberately left it unlocked with the intention of allowing the money to be stolen;
- 5) not contained in a locked safe or strong room whilst the portion of the premises containing such money is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the person(s) responsible for the money deliberately left it outside the safe or strong room with the intention of allowing it to be stolen;
- 6) in any vehicle being used by the insured unless a principal, partner, director or employee of the insured is actually in such vehicle or, if not in such vehicle, is within metres of it in a position from which the vehicle is clearly visible. This exception shall not apply following an accident involving such vehicle rendering the said person incapacitated.

MONEY

Specific exceptions (3), (4), (5) and (6) do not apply up to an amount of R5,000 and such losses shall not be reduced by any first amount payable.

MEMORANDA

1. Loss of or damage to money as insured under this section arising from dishonesty of any principal, partner, director or person in the employ of the insured (such person), as defined under this section, shall be subject to the following compulsory First Amount Payable Clause
The amount payable hereunder in respect of an event involving any such person or any number of such persons acting in collusion, shall be reduced by
 - a) 2% of the applicable limit under defined events plus
 - b) a further amount of 10% of the nett amount payable after deduction of the 2% specified in (a) above.
2. The company shall not be liable under this section of the policy in respect of loss or damage arising from any event in respect of which a claim is payable, or would be payable but for any first amount payable or co-insured clause under the fidelity section of the policy or any other fidelity insurance.

SPECIAL CONDITIONS APPLICABLE TO CHEQUES

First amount payable applicable to theft of cheques

Any loss or series of losses attributable to one original event which is payable under this section and which results from the theft of any cheque or cheques shall be reduced by a first amount payable of 25% of the loss indemnifiable by this section unless:

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

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

A. Drawing and crossing of cheques

One of the safest methods of drawing and crossing a cheque which is acceptable to banks is as noted hereunder.

1. Delete the pre-printed words "or bearer". This limits the possibility of the drawee bank paying out to a bearer who might not be entitled to payment.
2. If instead of "or bearer" your cheque has pre-printed on it "or order" these words must also be deleted.
3. Write on the face of the cheque the words "not transferable".
4. Cross the cheque by drawing two parallel lines across the cheque.
5. Write the words "not negotiable" between the two parallel lines referred to in 4 above.
6. Ensure that the payee is accurately, properly and fully described. For example, where the payee is a company, its full name

should be used: RH Jones (Pty) Ltd not just RH Jones

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

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

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

B. Printing of blank cheques

Blank cheques should only be printed by the Bank itself or a printer licensed by the Automatic Clearing Bureau.

These printers know the recommended requirements of banks and should only use approved:

- i) security paper (CBS1 or superior)
- ii) security designs
- iii) special security inks compatible with the security paper/design
- iv) methods which make it difficult for anyone to make a supply of blank cheques by photocopying the originals

SECTION 19: GLASS

DEFINED EVENTS

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

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

1. the cost of such boarding up as may be reasonably necessary;
2. damage to shop fronts, frames, window displays (including fixtures and fittings), burglar alarm strips, wires and vibrators as a direct result of such loss or damage;
3. the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass;
4. the cost of employment of a watchman service prior to replacement of glass or boarding up or the repair of the burglar alarm system, unless payable under any other insurance arranged by the insured; provided that the liability of the company shall not exceed;
 - i) for the replacement of glass, signwriting and treatment —the sum insured as stated in the schedule applicable to the premises at which loss or damage occurs;
 - ii) for all other costs and expenses provided for by this section and resulting from one occurrence or series of occurrences attributable to one source or original cause —in the aggregate the sum of R5,000.

SPECIFIC CONDITIONS

Average

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

DEFINITION OF GLASS

Unless specifically agreed, all glass (other than mirrors) insured by this section is presumed to be plain plate/float glass not exceeding 4 mm in thickness, whether coated with a film or not, or laminated safety glass not exceeding 6.5mm in thickness.

SPECIFIC EXCEPTIONS

The company **shall not** be liable for

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

EXTENSIONS

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

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

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

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

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

provided that this extension does not cover:

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

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

This extension shall only apply to loss or damage for which the insured is responsible as tenant and not as owner.

SECTION 20: BUSINESS ALL RISKS

DEFINED EVENTS

Loss of or damage to the whole or part of the property described in the schedule while anywhere in the world by any accident or misfortune not otherwise excluded, provided that the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every event except a claim resulting from fire, lightning or explosion.

SPECIFIC EXCEPTIONS

The company shall not be liable for:

1. loss of or damage to property resulting from or caused by
 - a) theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit;
 - 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.
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
4. loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
5. loss of or damage to goods consigned under a bill of lading.

SPECIFIC CONDITIONS

Average

If the total value of property insured which is not separately and individually specified is, at the time of the happening of any loss or damage to such property, of greater value than the sum insured thereon, the insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the amount of the loss or damage. Each item of the schedule covering such property shall be separately subject to this condition.

Replacement value condition (if stated in the schedule to be included)

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

or

the repair of the property to a condition substantially the same as, but not better than, its condition when new provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the property had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the commencement of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

SPECIFIC EXTENSIONS

Increase in cost of working extension (if stated in the schedule to be included)

The insurance under this item is limited to expenditure not otherwise recoverable under this section, necessarily and reasonably incurred as a result of loss of or damage to property for which payment is made or liability therefor is admitted under this section, for the purpose of maintaining the normal operation of the business.

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

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

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

provided that this extension does not cover

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

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

SECTION 21: ELECTRONIC EQUIPMENT AND CONSEQUENTIAL LOSS

SUB-SECTION A: MATERIAL DAMAGE

DEFINED EVENTS

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

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

EXCEPTIONS TO SUB-SECTION A

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

1. the first amount payable as stated in the schedule in respect of sub-section A, of each and every event giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one event, the first amount payable shall be the highest single amount applicable to such property insured
2. derangement unless accompanied by physical damage otherwise covered by this section
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on behalf of the insured covering the insured equipment
4. faults or defects known to the insured (or their responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to the company or any consequences thereof
5. wastage of material or the like or wearing out of any part of the property insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration, development of poor contacts or scratching of painted or polished surfaces of a cosmetic nature
6. parts having a short life such as (but not limited to) bulbs, valves, contacts, X-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for by this sub-section to other parts of the property insured, the company shall indemnify the insured for the residual value prior to the loss of such exchangeable parts
7. the cost of reproducing data and/or programs whether recorded on cards, tapes, disks or otherwise unless specifically provided for in sub-section B hereof
8. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein
9.
 - a) loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry into or exit (or any attempt thereat) from that part of the building occupied by the insured at the insured premises described in the schedule or as a result of theft or any attempt thereat, following violence or threat of violence
 - b) loss of the property insured by theft during transit or whilst temporarily removed from the insured premises unless identifiable by the insured with a specific incident which has been immediately reported to the police and the company.

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

- a) left in the motor vehicle overnight unless the vehicle is housed in a securely locked building and entry to such vehicle or building is accompanied by forcible and violent entry or exit
- b) contained in a compartment of the motor vehicle and is visible to passers-by

provided that

- a) and b) above shall not apply to theft of the property insured where the transport vehicle
 - i) has been hijacked or
 - ii) has been involved in a road accident or sustains a breakdown and, due to circumstances beyond the control of the vehicle crew/driver, the property insured is of necessity left unprotected.

BASIS OF INDEMNIFICATION

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

1) Partial loss

If the property insured suffers damage that can be repaired, the basis of indemnification shall be the restoration expenses reasonably and necessarily incurred to restore the damaged property to working order provided that:

- a) the value of damaged parts which can be used will be deducted,
- b) the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section,
- c) if, without the consent of the company, temporary repairs are carried out by the insured in the interests of safety or to minimize further loss or damage to the property insured, the cost of such temporary repairs will be borne by the company. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the property insured, any additional costs so incurred or consequence arising therefrom will be for the account of the insured.
- d) where the damage is restricted to a part or parts of an insured item, the company shall not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the sum insured.

2) Total loss

- A) In cases where the new property insured is totally lost or destroyed, the basis of indemnification shall be the cost of replacing or reinstating on the same site new property of equal performance and/or capacity or, if such be impossible, its replacement by new property having the nearest equivalent performance and/or capacity to the property lost or damaged

provided always that

- i) the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured, subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment exceeding the market value of the property insured immediately before the damage shall be made.
- ii) until expenditure has been incurred by the insured in replacing or reinstating the property insured, the company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein.
- iii) these conditions shall be without force or effect if
 - a) the insured fails to intimate to the company within six (6) months of the date upon which the damage occurred (or such further time as the company may in writing allow) his intention to replace or reinstate the property insured
 - b) the insured is unable or unwilling to replace or reinstate the property insured on the same or another site
- iv) at the sole option of the company, following commercial and technical appraisal by a representative of the company, the period referred to in the definition of new property may be extended (on an annual basis from renewal date) subject always to such extension of period being admitted by memorandum to this section.

Definition of new property insured

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

- B) In respect of property insured not provided for in (A) above, the basis of indemnification shall be the market value of the property insured immediately before the loss or damage. At the option of the company, the property insured shall be regarded as totally destroyed if the repair costs as defined in (1) above equal or exceed its market value immediately before the damage.

Definition of market value

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

- i) 20% (twenty per cent) for the first year after the date of purchase
- and
- ii) 10% (ten per cent) per year for each succeeding year

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

Average

In respect of (1) and (2) above, if at the time of repair, replacement or reinstatement, the sum representing the cost which would have been incurred in repair, replacement or reinstatement if the whole of the property insured had been lost or damaged exceeds the sum insured thereon at the time of any loss of or damage to such property, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.

Limit of liability

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

a) Architects' and other professional fees

Professional fees necessarily and reasonably incurred in the repair or reinstatement of property following indemnifiable loss or damage, provided that the amount payable in respect of such fees does not exceed 20% of the total amount of the claim, but shall not include expenses incurred in connection with the preparation of the insured's claim.

b) Clearance costs

Costs necessarily and reasonably incurred by the insured in respect of demolition or dismantling of property and/ or removal of debris and in providing, erecting and maintaining hoardings and other similar structures required during demolition, dismantling, debris removal and reconstruction following indemnifiable loss of or damage to such property, provided that the total amount recoverable does not exceed 20% of the total amount of the claim.

c) Express delivery and overtime

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

CLAUSES AND EXTENSIONS**Power surge or lightning strikes**

All loss or damage to the property insured by power surges or lightning strikes will be subject to an additional first amount payable of 10% of the net amount payable for the items so damaged subject to a minimum of R1,000. However, should the property insured be appropriately and adequately protected by suitable safeguards against electrical supply fluctuations, then this additional first amount payable will be waived.

Fire brigade charges

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

Tenants

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

Hire purchase/finance agreements

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

SUB-SECTION B: CONSEQUENTIAL LOSS**DEFINED EVENTS**

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

i) Increased cost of working

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred by the insured

during the indemnity period in consequence of the accident for the sole purpose of avoiding or diminishing the interruption

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

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

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

ii) Reinstatement of data/programs

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

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

DEFINITIONS

Indemnity period

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

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

Accident

1. (Applicable to increased cost of working only) physical loss of or damage to the property insured described in the schedule from any cause as provided for under sub-section A of this section, liability under which sub-section shall, except for the provisions relating to the first amount payable or the maintenance/lease agreements, be a condition precedent to liability hereunder.
2. Failure of the public supply of electricity at the terminal ends of the service feeders in the premises from any accidental cause other than
 - a) the deliberate act of the insured or any supply authority
 - b) drought or shortage of fuel at any electricity utility.

Special conditions applicable to failure of the public supply of electricity

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

The limit of liability

The liability of the company shall not exceed the amounts specified in the schedule (relating to sub-section B) in respect of any one accident or series of accidents arising out of or in connection with any one event. In the event of the payment by the company of any sum or sums in discharge of the company's liability in terms of this sub-section, the sum(s) insured shall automatically be reinstated for the remainder of the current period of insurance.

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

SPECIFIC EXCEPTIONS TO SUB-SECTION B

Unless specifically provided for

1. Fines and penalties

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

2. Loss of profit

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

CLAUSES AND EXTENSIONS**Reinstatement**

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

- a) the insured being unable or unwilling to replace or reinstate property destroyed or damaged, or failing to carry out such replacement or reinstatement within a reasonable time, or
- b) additions, alterations or improvements being affected to the property insured on the occasion of its repair, the company's liability under this section shall be related solely to the business interruption which would have arisen in the absence of (a) and (b).

Telkom access lines (if stated in the schedule to be included)

Subject to the limits specified in the schedule, consequential loss as provided for under defined events (i) and (ii) of sub-section B arising from accidental failure of the Telkom access lines is included, provided always that the insurance under this extension shall be subject to the special conditions below.

Special conditions applicable to Telkom access lines

- a) The liability of the company shall not exceed the sum insured by this sub-section.
- b) The indemnity period shall commence 12 hours after the failure and end not later than 30 days after such failure.
- c) The insurance provided does not cover loss occasioned by the deliberate act of any Telkom authority or by the exercise of such Telkom authority of its power to withhold or restrict access to its lines.

GENERAL MEMORANDA**Memo 1 -Capital additions and currency fluctuations**

The indemnity by this section shall include

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

provided that the increase shall not exceed, by more than 25%, the total sum insured for sub-section A specified in the schedule, it being agreed that the insured will advise the company of such alterations after the expiry of each period of insurance and pay the appropriate premium thereon but not exceeding 50% of the difference.

Memo 2 -Prevention of access

If, during the indemnity period, the business at the premises is interrupted or interfered with in consequence of the insured being prevented from having access to the property insured situated at the premises caused by damage to property within a 20km radius of the insured premises as described in the schedule by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or impact by vehicles, the company shall indemnify the insured for loss resulting from such interruption or interference in accordance with the provisions contained herein

provided that

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

Memo 3 –Territorial Limits

The Territorial Limits in respect of laptops, note books/palm top computers as well as all other portable computer equipment temporarily located outside of the premises specified in this policy shall be deemed to be worldwide.

GENERAL EXCEPTIONS (SUB-SECTION A AND B)

Viruses, Trojans and worms

The company shall not indemnify the insured for loss or damage of whatsoever nature arising directly or indirectly out of or in connection with the action of any computer virus, Trojan or worm(s) or other similar destructive media.

GENERAL EXTENSIONS

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

Notwithstanding anything to the contrary contained in the policy, the indemnity by sub-sections A and B of this section shall indemnify the insured for costs incurred in respect of

- a) modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system
- b) replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system
- c) the restoration of previously captured data which has become inaccessible due to the modifications to or alterations of the electronic system or in consequence of the replacement or upgrading of legal programs;

provided always that

- 1) the costs provided for in (a), (b) and (c) above shall be necessarily and reasonably incurred to maintain normal working conditions
- 2) such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-sections A or B (item ii) of this section
- 3) the cover afforded hereunder shall be restricted to
 - i) parts or components of the electronic system which are not indemnifiable under sub-section A hereof
 - ii) programs or data reinstated not indemnifiable under item (ii) of sub-section B hereof;
- 4) the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to 20% of the applicable total sum insured under sub-section A (the limit of indemnity) and sub-section B (item (ii)) or R25, 000 whichever is the lesser.

SECTION 22: MACHINERY BREAKDOWN

DEFINED EVENTS

Unforeseen and sudden fortuitous physical damage to the insured property (or any part thereof) whilst on the premises from any cause not specifically excluded whilst at work or at rest or being dismantled for the purpose of cleaning, inspection, repair, overhaul or removal to another position within the premises or in the course of these operations and subsequent re-erection by, but not restricted to,

defects in casting, defects in material, faulty design, faults at workshop or in erection, bad workmanship, lack of skill, carelessness, shortage of water in boilers, physical explosion, tearing apart on account of centrifugal force, short circuit or from any other cause not specifically excluded in terms of any exception that is applicable to this policy as a whole or this section in particular that necessitates repair or replacement of the insured property.

Provided always that this insurance shall only apply to the insured property after successful completion of their performance acceptance tests whether they are at work or rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the premises, or during subsequent re-erection.

SPECIFIC EXCEPTIONS

The company shall not be liable for:

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

BASIS OF INDEMNITY

1. Partial loss

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

No deduction shall be made for depreciation in respect of the parts replaced, but the value of any salvage shall be taken into

account if the cost of repairs equals or exceeds the actual value of the insured property immediately before the occurrence

of the damage, the property shall be regarded as destroyed and settlement shall be made on the basis provided for in (2) below.

2. Total loss

- a) If equipment not exceeding 3 years from date of manufacture is totally damaged the basis of calculating the amount payable shall be the cost of replacing or reinstating the equipment with equipment of the same kind or type but not superior to or more extensive than the insured equipment when new including freight and erection costs customs duties and the cost of removing the destroyed equipment less the value of the remains subject to provisos (a), (b) and (c).
- b) If equipment exceeding 3 years from date of manufacture is totally damaged the basis of calculating the amount payable shall be the cost of replacement at market value and the cost of removing the destroyed equipment less the value of any salvage subject to provisos (a), (b), (c), (d) and (e).

The insured item shall be regarded as totally damaged if the repair costs (as defined under partial loss) equal or exceed the value as defined in 2 (b) above immediately before the insured event

Provided that:

- a) the cost of any alterations, additions, improvements or overhauls carried out at the time of repair shall not be recoverable;
- b) the cost of any provisional repairs shall be borne by the company if such repairs constitute part of the final repairs and do not increase the total cost of repairs;
- c) the company shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been affected or replacement has taken place, as the case may be;
- d) the work of replacement or reinstatement (which may be carried out at other premises and in any manner suitable to the requirements of the Insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein shall be made
- e) In either event (1) or (2) the amount claimable shall not exceed the amount specified in the Machinery Insurance Schedule.

SUM INSURED AND AVERAGE

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

DEFINITIONS

For the purposes of this section the following expressions mean:

“Insured property” - the property described in the schedule of this section under the heading “Description of insured property”

“premises” - the premises, the situation of which is stated in the schedule of this section.

CLAUSES AND EXTENSIONS

Overtime, night work, work on public holidays and express freight

The insurance under this section covers extra charges for overtime, night work, work on public holidays and express freight (excluding airfreight).

Provided that such extra charges are incurred in connection with damage to the insured property recoverable under this section.

Provided further that the amount payable in respect of this extensions shall not exceed the sum insured set opposite the applicable item and not exceeding in all the total sum insured stated in the schedule of this section.

Capital additions

This section covers alterations, additions and improvements (but not appreciation in value in excess of the sum insured) to the insured property for an amount not exceeding 20% of the sum insured under the applicable item, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and pay or agree to pay the additional premium thereon.

SPECIFIC CONDITIONS

1. The due observance and fulfilment of the terms of this section and of this policy in so far as they relate to anything to be done or complied with by the insured shall be a condition precedent to any liability of the company.
2. In the event of any material alteration in the risk undertaken by the insured, the insured shall as soon as possible give notice in writing to the company. The premium, terms and conditions shall thereupon be subject to adjustment accordingly. Any claim in respect of loss or damage that may arise before such notice is given shall be handled in accordance with the company's normal conditions, exceptions and first amount payable for risks of a similar nature, provided the insured agrees to pay the increased premium that may be required in respect of the altered risk.
3.
 - a) On the happening of any damage the insured shall in addition to complying with general condition 6 of this policy
 - i) take all reasonable steps to minimize the extent of such damage,
 - ii) preserve any damaged or defective parts for inspection by the company.
 - b) On notification being given to the company in terms of general condition 6 of this policy the insured may carry out the repairs or replacement of any minor damage; in all other cases, a representative of the company shall have the opportunity of inspecting the loss or damage before any repairs or replacements or alterations are affected. If a representative of the company does not carry out the inspection within a period of time that could be considered adequate under the circumstances, the insured is entitled to proceed with the repairs or replacement.
 - c) The liability of the company under this section in respect of the insured property shall cease if such insured property is kept in operation after a claim without being repaired to the satisfaction of the company, or if temporary repairs (other than in terms of 3(b) above) are carried out without the company's consent.
4. The insured shall, in addition to complying with general condition 5 of this policy
 - i) take all reasonable steps to maintain the insured property in efficient working order and to ensure that no part of the insured property is habitually or intentionally overloaded;
 - ii) fully observe the manufacturer's/agent's instructions for the operation, inspection and maintenance of the insured property and fully observe government regulations, statutory regulations, municipal regulations and all other binding regulations in force concerning the operation and maintenance of the insured property.

SECTION 23: MACHINERY BREAKDOWN LOSS OF PROFITS

DEFINED EVENTS

If during the period of insurance any of the machinery and plant used by the insured at the premises for the purpose of the business be affected by an accident and the business carried on by the insured at the premises be in consequence thereof interrupted or interfered with, the company will (subject to the exceptions and conditions of this section and of this policy) pay to the insured as indemnity in respect of item 1 mentioned under the heading "Subject matter insured" in the schedule of this section, the amount of the loss resulting from the aforesaid interruption or interference in accordance with the provisions contained in Appendix 1 of this section, provided that:

- a) the machinery and plant shall during the currency of this section be insured against machinery breakdown;
- b) the liability of the company in respect of the aforementioned item 1, shall in no case exceed the sum insured stated in respect of such item 1 in the schedule of this section.

SPECIFIC EXCEPTIONS

This section does not cover any loss or claim resulting from interruption of or interference with the business directly or indirectly attributable to any of the following causes:

1. Loss or damage to:
 - a) foundations and masonry, unless specifically included and described in the list under the heading "List of machinery and plant" in the schedule of this section;
 - b) exchangeable and replaceable parts such as, but not restricted to, bits, drills, knives, saw blades;
 - c) dies, moulds, patterns, blocks, stamps, punches coatings or engravings on cylinders and rolls;
 - d) parts which by their use and/or nature suffer a high rate of wear or depreciation such as, but not restricted to, crushing surfaces, balls, hammers, screens and sieves, engraved soft metal cylinders, wear plates, elevator and conveyor belts or bands, chains, flexible pipes, jointing and packing materials, filter cloths, parts made of glass, rubber, textile or synthetic, grinding wheels, ropes, belts, straps, cables other than electrical conductors, brushes, batteries, tyres, refractory materials, grate bars, burner jets;
 - e) operating media such as, but not restricted to, fuels, chemicals, catalysts, filter substances, heat transfer media, cleansing agents, lubricants.
2. Loss or damage due to fire, direct lightning, chemical explosion (except flue gas explosions in boilers), extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, burglary or theft or attempts thereat, collapse of buildings, wind, storm, water, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or similar natural catastrophes.
3. Loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract.
4. Loss or damage due to any faults or defects within the knowledge of the insured or his representatives existing at the time of commencement of this section, whether such faults or defects were known to the company or not.
5. Repair or replacement necessitated by direct damage due to wear and tear, corrosion, erosion, deposits of scale sludge or other sediment, rust, or by scratching of painted or polished surfaces, or by any other direct consequences or progressive or continuous influences from working or atmospheric or chemical action; but the company shall be liable for any loss resulting from interruption or interference caused by damage arising from such causes and otherwise insured by this section.
6. Loss or damage due to the imposition of abnormal conditions directly or indirectly resulting from testing, intentional overloading or experiments.
7. Shortage, destruction, deterioration of or damage to raw materials, semi-finished or finished products or other materials required for proper operation, even if the consequence of material damage to an item described in the list under the heading "List of machinery and plant" in the schedule of this section is involved.
8. Any restrictions on reconstruction or operation imposed by any public authority.
9. The insured not having at his disposal in good time sufficient capital for repairing or replacing destroyed or damaged

machinery.

10. Loss of or damage to machinery, mechanical installations and their additional installations or other items which are not described in the list under the heading "List of machinery and plant" in the schedule of this section, even if the consequence of material damage to an item described in the aforesaid list is involved.
11. Loss of business due to causes such as suspension, lapse or cancellation of a lease, license or order et cetera that occurs after the date when the machinery and plant affected by an accident is again in operating condition and the business could have been resumed if the aforesaid lease, license or order et cetera had not been suspended, lapsed or cancelled.
12. The company shall not be liable under this section in respect of the prolongation of any period of interruption of or interference with the business resulting directly or indirectly from the operation of:
 - a) any gazetted law of the Republic of South Africa, including any exchange control regulation, directed against any other country;
 - b) any law of a foreign country or international law directed against the Republic of South Africa;
 - c) any economic sanctions, conventions, trade embargoes, boycotts, strikes or actions directed against the Republic of South Africa, other than occurring within the borders of the Republic of South Africa.

If the company alleges that this clause is applicable by reason of any or all of stipulations (a), (b) or (c) above the burden of proving the contrary shall rest on the insured.

If the company alleges that by reason of any of the provisions of specific exceptions (3) and (4) above, any loss or claim is not covered by this section the burden of proving the contrary shall rest on the insured.

DEFINITIONS

For the purposes of this section the following mean:

"Premises" – the premises, the situation of which is stated in the schedule of this section

"Business" – the insured's business as stated in the schedule of this section

"Machinery and plant" – machinery and plant described in the list under the heading "List of machinery and plant" in the schedule of this section.

"Accident" – any unforeseen and sudden fortuitous physical damage to the machinery and plant necessitating its immediate repair or replacement due to causes such as but not restricted to defects in casting and material, faulty design, faults at workshop or in erection, bad workmanship, lack of skill, carelessness, malice, shortage of water in boilers, physical explosion, tearing apart on account of centrifugal force, short circuit, storm, or any other cause not specifically excluded whilst such machinery and plant are:

- a) working or at rest;
- b) being dismantled, moved, or re-erected for the purpose of cleaning, inspection, repair or installation at another location within the premises, provided such machinery and plant have successfully completed its acceptance tests.

SPECIFIC CONDITIONS

1. The due observance and fulfilment of the terms of this section and of this policy insofar as they relate to anything to be done or complied with by the insured shall be a condition precedent to any liability of the company.
2.
 - a) Representatives of the company shall at any reasonable time have the right to inspect and examine the risk and the insured shall provide the representatives of the company with all details and information necessary for the assessment of the risk
 - b) The insured shall as soon as possible notify the company in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.
3. Should at any time after the commencement of this section
 - a) the business be wound up or carried on by a liquidator, receiver, trustee or judicial manager or be permanently discontinued:

- b) the insured's interest ceases other than by death,
- c) any alteration be made or admitted by the insured whereby the risk of accident is increased,
- d) the retention of standby or spare machinery or any other loss-minimising factors in existence when the insurance under this section was affected, be reduced or discontinued or such stand-by or spare machinery be not maintained in an efficient working condition and available for immediate use,

then the insurance under this section shall, notwithstanding anything contained to the contrary in general condition 1 of this policy, cease unless and until the continuance of the insurance under this section is confirmed in writing by the company.

4. The insured shall exercise all reasonable care in the selection of employment and supervision of all employees and in the prevention of any loss or damage and in compliance with any statutory regulations and manufacturer's recommendations. The stipulations of this specific condition 4 are applicable in addition to the stipulations of general condition 5 of this policy.
5. The insured shall be obliged to keep complete records. All records (for example, but not limited to, inventories, production and balance sheets) for the three preceding years shall be held in safe-keeping or (as a precaution against their being simultaneously destroyed) the insured shall keep separate sets of such records.
6. On the happening of any occurrence that may result in a claim under this section the insured shall, notwithstanding general condition 6:
 - a) Immediately notify the company by telephone or telegram of the aforesaid occurrence and send the company written confirmation thereof within 48 hours after the aforesaid occurrence;
 - b) do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interruption of or interference with the business or to avoid or diminish the loss resulting therefrom;
 - c) as far as may be reasonable practicable without causing any increase in the period of interruption or interference with the business takes precautions to preserve any things that might prove necessary or useful by way of evidence in connection with any claim;
 - d) discontinue the use of any damaged machinery and plant unless the company authorised otherwise, and the company shall not be liable in respect of any further interruption or interference with the business arising out of the continued use of any damaged machinery and plant without the company having given its consent in writing to such use until the aforesaid machinery and plant have been repaired to the satisfaction of the company.
7. In the event of a claim being made under this section the insured shall, notwithstanding general condition 6, at the insured's own expense within 30 days after the expiry of the indemnity period (or within such further time as the company may in writing allow) submit to the company a written statement setting forth full particulars of the insured's claim together with details of all other insurances covering the accident or any part of it or consequential loss (of any kind whatsoever) resulting therefrom. The insured shall at his own expense also produce and furnish to the company such books of account and other business books, documents, proofs, information, explanation and other evidence as may be reasonably required by the company for the purpose of investigating or verifying the claim, together with (if required) a statutory declaration regarding the truth of the claim and of any matters connected with the claim.
8. If at the time of any accident resulting in a loss insured against under this section there be any other insurance effected by or on behalf of the insured covering the same loss or any part thereof the company shall not be liable to pay or contribute more than its rateable proportion of any sum payable in respect of the whole of such loss. Provided that the company shall not be liable to pay for or contribute to any loss that is insured by or would but for the existence of this section be insured by any business interruption or loss of profits or consequential loss policy or policies covering marine risks or fire and/or explosion risks.
9. The total amount of the indemnity that is provided under this section shall be payable two weeks after the final determination of such amount. If after the expiry of one month since the beginning of an interruption of or interference with the business and after the expiry of each further month it is possible to determine the minimum amount that the company is liable to pay in respect of the then elapsed period of the aforesaid interruption or interference the insured shall be entitled to demand that the aforesaid minimum amount be paid to the insured as an instalment in respect of the total amount of the indemnity that is provided under this section.

Provided that

- a) the company shall be entitled to postpone any payment

- i) if there is any doubt as to the insured's right to receive payment until the necessary proof is furnished;
 - ii) if, as a result of any physical damage or any interruption of or interference with the business any police or penal investigation have been initiated against the insured, until the completion of such investigations.
 - b) the company shall not be liable to pay interest other than interest for default.
10. In the event of an accident to any machinery and plant that may result in a claim under this section the company shall have the right to take over and control all necessary repairs or replacements.
11. On the happening of any occurrence in respect of which a claim is or may be made under this section the company and every person authorised by the company (without thereby incurring any liability and without diminishing the right of the company to rely upon any other conditions of this policy) enter any building where the loss has happened and may take possession of or require that any of the machinery and plant be surrendered to them and may keep possession of and deal with such machinery and plant for all reasonable purposes and in any reasonable manner. This condition shall be evidence of the leave and license of the insured to the company so to do. If the insured or anyone acting on his behalf does not comply with the requirements of the company or hinders or obstructs the company during the aforementioned acts, then all benefit under this section shall be forfeited.

DEFINITIONS

Gross Profit

The insurance under item 1 of this section is limited to loss of gross profit due to (a) reduction in turnover and (b) Increase in cost of working and the amount payable as indemnity thereunder shall be

- a) in respect of reduction in turnover: The sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall in consequence of the accident fall short of the standard turnover;
- b) in respect of increase in cost of working: The additional expenditure necessarily and reasonable incurred for the sole purpose of avoiding or diminishing the reduction in turnover that but for that expenditure would have taken place during the indemnity period in consequence of the accident, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided,

less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of gross profit as may cease or be reduced in consequence of the accident, provided that the amount payable shall be proportionately reduced if the sum insured in respect of item 1 of this section be less than the sum produced by applying the rate of gross profit to the annual turnover.

For the purposes of the insurance under item 1 of this section the expression

"gross profit"- used in this section shall mean: the amount by which

- 1) the sum of the value of the turnover and the value of the closing stock shall exceed
- 2) the sum of the value of the opening stock and the amount of the specified working expenses.

"Stock" - The values of the opening and closing stocks shall be arrived at in accordance with the insured's normal accountancy methods, due provision being made for depreciation.

"Specified working expenses" - those variable expenses of the business that are specified under the heading

"Specified working expenses" - in the schedule of this section.

"Turnover" - the money (less discounts allowed) paid or payable to the insured for goods sold and delivered and for services rendered in the course of the business at the premises.

"Indemnity period" - the period, not exceeding the indemnity period stated in the column under the heading

"Indemnity period limit" - of the list under the heading "List of machinery and plant" in the schedule of this section, commencing with the occurrence of the accident during which the results of the business shall be affected in consequence of such accident, provided always that the company shall not be liable for the amount of the loss arising during the time excess,

such time excess to commence as from the beginning of the interruption of or interference with the business resulting in a claim under this section.

“Time excess” - the period stated in the column under the heading “Time excess” of the list under the heading “List of machinery and plant” in the schedule of this section.

“Rate of gross profit” - the rate of gross profit earned on the turnover during the financial year immediately before the date of the accident, to which such adjustments shall be made as may be necessary to provide for the trend of the business and of variations in or special circumstances affecting the business either before or after the accident or that would have affected the business had the accident not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results that would but for the accident have been obtained during the relative period after the accident.

“Standard turnover” - the turnover during that period in the twelve months immediately before the date of the accident that corresponds to the indemnity period to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the accident or that would have affected the business had the accident not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the result that but for the accident would have been obtained during the relative period after the accident.

“Annual turnover” - the turnover that but for the accident the insured would have been able to obtain during the 12-month period immediately before either the date when the business is no longer affected or when the indemnity period ends, whichever occurs first.

Other premises

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

EXTENSIONS AND CLAUSES

1. Overhauls

In determining the amount payable as indemnity under this section due allowance shall be made for the time spent on any overhauls, inspections or modifications carried out during any period of interruption of or interference with the business.

2. Benefits after recommissioning

If during a period of 6 months immediately following the recommissioning of the machinery and plant after an accident the insured derives benefit from deferred sales or from increased production and/or profits as a consequence of an interruption of or interference with the business, such benefits shall be taken into account in determining the amount payable as indemnity under this section.

3. Reinstatement of sum insured

For the period following the occurrence of an accident up to the last day of any (annual) period of insurance the sum insured under this section shall be reinstated by payment of an additional premium on a pro rata basis, such additional premium to be calculated on that part of the aforesaid sum insured that corresponds to the amount paid as indemnity under this section. The sum insured shall, however, remain unaltered.

4. Return of premium

If the insured declares at the latest six months after the expiry of any (annual) period of insurance that the gross profit earned during the accounting period of 12 months most nearly concurrent with the aforesaid (annual) period of insurance, as certified by the insured’s auditors, was less than the sum insured thereon, a pro rata return of premium, not exceeding one third of the premium paid on such sum insured for such (annual) period of insurance, shall be made in respect of the difference. If any accident has occurred giving rise to a claim under this section the aforesaid return shall be made in respect only of so much of the aforesaid difference as is not due to such accident.

SECTION 24: DETERIORATION OF STOCK FOLLOWING MACHINERY BREAKDOWN

DEFINED EVENTS

This Insurance is in respect of:

1. FORTUITOUS DAMAGE TO THE PRODUCTS AND/OR COLDROOM(S) INSURED

2. INCREASE IN THE COST OF WORKING

and the amount payable as Indemnity thereunder shall be:

i) IN RESPECT OF FORTUITOUS DAMAGE TO THE PRODUCTS AND/OR COLDROOM(S) INSURED:

The value of the Insured Products and/or Cold-room(s) affected as a direct consequence of the Accident but not exceeding the Limit of Indemnity stated in the Schedule.

ii) IN RESPECT OF INCREASE IN THE COST OF WORKING:

The additional expenditure necessarily and reasonably incurred as a direct consequence of the Accident (including costs incurred in obtaining alternative storage facilities for the Insured Products) wholly and exclusively incurred for the purpose of preventing or minimizing damage to the Insured Products but not exceeding the Amount that would otherwise have been indemnifiable under Clause (i) above.

PROVIDED ALWAYS THAT:

- a) other than in the case of the accidental escape of refrigerant Accident shall cause a fluctuation in temperature in the Cold-room(s).
- b) the Company shall have the benefit of any saving in expenditure as a result of the Accident.

DEFINITIONS

1. ACCIDENT

- A. **UNFORSEEN AND SUDDEN PHYSICAL DAMAGE** to the Machinery described in the Schedule of this Section from any cause provided for under Machinery Breakdown Section issued by the Company's liability under which Section shall except for the Provision of the Specific Exception relating to the Deductible Amount be a condition precedent to liability hereunder
- B. **FAILURE OF THE PUBLIC SUPPLY OF ELECTRICITY** at the terminal ends of the Supply Authority's service feeders in the Insured's Premises from any accidental cause other than:
 - i) the deliberate act of the Insured or any Supply Authority
 - ii) drought or shortage of fuel at any Power Station
- C. If stated in the Schedule to be covered **DAMAGE TO THE INSURED PRODUCTS** (contained in the Cold-rooms and/or the Insured Cold-room(s)) caused as a direct result of the accidental escape of refrigerant following unforeseen and sudden physical damage to the Refrigeration Machinery described in the Schedule of this Section.

2. COLDROOM

The term "Cold-room" shall be deemed to include "Refrigeration Chamber".

3. DAMAGE

Except in Clause "A" of the Definition of Accident the word "Damage" wherever it appears in this Section shall mean:

- a) in respect of the Insured Products
"Destruction or impairment in value of the Insured Products by deterioration or contamination or putrefaction or spoilage"
- b) in respect of the Insured Cold-room(s)
"Contamination by Refrigerant necessitating the evacuation of the Cold-room(s)".

4. VALUE

The word "Value" wherever used in this Section shall mean:
In respect of the Insured Products

a) "The actual purchase price paid by the Insured to his Supplier for the Insured Products or that part thereof affected by Accident"

or

b) "The actual purchase price paid by the Insured to his Supplier for the Insured Products or that part thereof affected by Accident to which is added the processing costs of such Insured Products prior to being placed in the Cold-room(s)"

or

c) "The selling price of the Insured Products or that part thereof affected by Accident"

In respect of Insured Cold-room(s)

"The current day replacement cost of the Cold-room(s)"

SPECIFIC EXCEPTIONS

The Company shall not indemnify the Insured in respect of:

1. The amount of the Deductible stated in the Schedule.
2. Damage to Insured Products other than wine and related products not contained in Insured Cold-room(s) at the time of such damage.
3. Consequential loss Damage or liability arising out of the Damage to the Insured Products and/or Cold-room(s).
4. Damage to the Insured Products and/or Cold-room(s) caused by bruising rodents pests or natural deterioration disease or vice.

SPECIAL MEMORANDA

MEMO 1:

In the event of damage to the Insured Products:

- a) where such damage necessitates destroyal of the Insured Products a Certificate of Condemnation must be obtained by the Insured from the appropriate Local Authority for such goods to be destroyed
- b) in cases where damage is alleged to have impaired the value of the Insured Products reasonable proof of impairment of value must be submitted by the Insured in respect of such Insured Products
- c) where the Insured has incurred an increase in the cost of working so as to prevent or minimize damage to the Insured Products reasonable proof of the necessity for incurring such costs must be furnished by the Insured.

MEMO 2:

The Machinery described in the Schedule of this Section shall be subject to regular and adequate maintenance processes undertaken by suitably Qualified Members of the Insured's own staff or in terms of a Maintenance Contract with Specialist Maintenance Engineers.

MEMO 3:

The controlling switchgear of the Refrigeration Machinery described in the Schedule of this Section shall incorporate apparatus for automatic restarting following a failure of the Public Supply of Electricity.

MEMO 4: (PRODUCTS CONTAINED IN COLDROOMS)

The premium charged under this Section shall be provisional and adjusted on the expiry of each Period of Insurance in accordance with the Provisions of Memorandum 5 hereunder.

MEMO 5: (PRODUCTS CONTAINED IN COLDROOMS)

On the expiry of each Period of Insurance the Insured shall make the following declaration to the Company:

- i) the average monthly value of the Insured Products contained in Cold-room(s). The provisional premium shall be adjusted at the rates agreed between the Insured and the Company and an additional or refund premium charged or allowed to the Insured

or

- ii) the maximum value of the Insured Products contained in Cold-room(s) at any one time during the Period of Insurance. The provisional premium charged shall be adjusted at the rates agreed between the Insured and the Company and an additional or refund premium charged or allowed to the Insured
- iii) a) the estimated value at risk for the forthcoming Period of Insurance in accordance with the Provisions of (i) above
b) the replacement cost of the Cold-room(s).

SECTION 25: AGRICULTURAL VEHICLES, IMPLEMENTS AND IRRIGATION SYSTEMS ON WHEELS

SUB-SECTION A: LOSS OR DAMAGE

DEFINED EVENTS

We will indemnify you against:

Loss of or damage to any vehicle or implement (as defined in Definition 2. of this Section) and described on the Schedule and its accessories and spare parts whilst thereon.

PROVISIONS

1. We may at our own option repair, reinstate or replace the insured vehicle or may pay in cash the amount of the loss or damage. If, to our knowledge the insured vehicle is the subject of an instalment sale or similar agreement such payment shall be made to the owner described in the agreement and whose receipt shall be a full and final discharge to us in respect of such loss or damage.
2. The Maximum Indemnity and amount payable by us shall be the current market value of the vehicle or implement as shown in any recognized and current motor or agricultural trade publication. The vehicle's age, condition and odometer readings might affect the value of the vehicle at the time of the loss.
3. In respect of each and every occurrence giving rise to a claim (except a claim resulting from fire, lightning or explosion) under this Sub-Section, you will be responsible for the First Amounts Payable stated on the schedule (according to the type of vehicle) of any expenditure (or any less expenditure which may be incurred) for which provision is made under this Sub-Section (including any payment in respect of costs, expenses and fees) and of any expenditure by us in the exercise of any discretion we may have under this insurance. If the expenditure incurred by us shall include any First Amount Payable for which you are responsible, such amount shall be repaid to us immediately.
4. We shall not be liable for more than the amount stated on the schedule (after deduction of the First Amount Payable) in respect of theft or attempted theft of radios and similar equipment not supplied by the manufacturers of the vehicle when new.

SPECIFIC EXEPTIONS TO SUB-SECTION A

We will not be liable for:

1. consequential loss as a result of any cause whatsoever, depreciation in value whether arising from repairs following a defined event or otherwise, wear and tear, mechanical, electronic or electrical breakdowns, failures or breakages.
2. damage to tires by application of the brakes or by road punctures, cuts or bursts.
3. damage to springs or shock absorbers due to inequalities of the road or other surface or to impact with such inequalities.

SPECIFIC EXTENSIONS TO SUB-SECTION A

1. Traction tires

Notwithstanding Specific exception (b) too Sub-Section A we will indemnify you against irreparable damage to the traction tires to any vehicle specified on the Schedule resulting from Damage caused by any unseen or concealed object whilst on the road or other surface up to the limit per tire that is stated on the Schedule.

SUB-SECTION B: LIABILITY TO THIRD PARTIES

DEFINED EVENTS

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

- i) death of or bodily injury to any person, but excluding death of or bodily injury to you or to any employee of yours arising

from and in the course of such employment or being a member of the same household as you

- ii) 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.

We will also, in terms of and subject to the limitations of and for the purpose of this sub-section:

1. Pay all costs and expenses incurred with our written consent and shall be entitled, at our discretion, to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this subsection, or for defending in any 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 our 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 your order or with your permission provided that
 - a) such person shall, as though they were you, 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 hereunder.
3. Indemnify you while personally driving or using any private type motor car not belonging to you and not leased or hired to you under a lease or suspensive sale agreement, provided you are an individual and have insured under this policy a vehicle described under definition (a) or (b) and provided we shall not be liable for damage to the vehicle being driven or used.
4. Indemnify you in respect of liability arising from the towing by a vehicle (other than for reward) of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided that we shall not be liable for damage to the towed vehicle or trailer or to property in or on the vehicle or trailer.

SPECIFIC EXEPTIONS TO SUB-SECTION B

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

1. so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply notwithstanding that no insurance under such enactment is in force or has been affected
2. death of or injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in Vehicle Definition (b), (c), (d) or (e) at the time of the occurrence of the event from which any claim arises (except any person being carried in or upon or entering onto or alighting from a permanently enclosed passenger carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1,500kg)
3. death of or injury to or illness of any person being a member of the same household as you
4. loss of or damage to property belonging to or held in trust by or in the custody or control of yourself or being conveyed by, loaded onto or unloaded from such vehicle
5. liability arising from the operation, demonstration or use (for the 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.

LIMITS OF INDEMNITY

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

SUB-SECTION C: MEDICAL EXPENSES

DEFINED EVENTS

If an occupant in the specified part of a vehicle described below, in direct connection with such vehicle, sustains bodily injury by violent, accidental, external and visible means, we will pay to you the medical expenses incurred as a result of such injury up to R5,000 per injured occupant but not exceeding R50,000 in total for all occupants injured as a result of an occurrence or series of occurrences arising out of one event.

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

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

Defined vehicle but only if it is insured under Sub-Section A

- a. Vehicle (a) – Commercial vehicle over 3500 gross vehicle mass.
- b. Any other type of insured vehicle.

Specified part of vehicle in which the injury must occur

Anywhere inside the cab or enclosed section of the vehicle.

The permanently enclosed driver or passenger carrying compartment.

DEFINITIONS

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

Vehicle – shall mean:

- a) Commercial vehicles exceeding 3500 gross vehicle mass
- b) Tractors, Harvesters,
- c) Trailers, Ploughs, Planters, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle
- d) Caterpillars, Graders, Back actors, TLB's and special types as described on the schedule
- e) Irrigation systems on wheels and centre pivots

Any such vehicle being owned by or hired or leased to you, including any such vehicle temporarily operated by you as a replacement for any vehicle out of use for the purpose of overhaul, upkeep and/or repair provided that our maximum liability shall not exceed the retail value of the replaced vehicle as stated on the schedule.

MEMORANDA APPLICABLE TO THE SECTION

1. War clause

In respect of Sub-Sections B and C only, General exception 1 is deleted and replaced by the following:

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

2. Description of Use

Use by you for social, domestic and pleasure purposes and use for your business or occupation excluding:

hiring, carriage of passengers for hire or carriage of fare-paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load of passengers exceeding the capacity for which the vehicle is constructed or licensed to carry or use for any purpose with the motor trade unless the insured vehicle is in the custody or control or control of a member of the motor trade for the purpose of its overhaul, upkeep or repair.

OPTIONAL LIMITATIONS APPLICABLE TO THE SECTION

1. Third Party only cover – (if stated on the schedule to be applicable)

Sub-sections A and C are cancelled.

2. Third Party, Fire and Theft only cover – (if stated on the schedule to be applicable)

Our liability under Sub-Section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, Sub-section C is cancelled.

EXCEPTIONS APPLICABLE TO THE SECTION

We will not be liable for any accident, injury, loss, damage, or liability:

1. whilst the insured vehicle is being used with your general knowledge and consent otherwise than in accordance with the Description of Use clause
2. incurred outside of the Territorial Limits, but we will indemnify you against loss of or damage to the insured vehicle while in transit by sea or air between ports or airports in these territories including loading and unloading incidental to such transit
3. incurred while any insured vehicle is being driven by:
 - i) you while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than themselves) or whilst not licensed to drive such vehicle
 - ii) any other person with your general knowledge and consent who, to your knowledge, is under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than themselves) or whilst not licensed to drive such vehicle
 - iii) or is under the control for the purpose of being driven by a person who does not hold a current and valid Professional Driving Permit (PrDP) to drive such a vehicle as required in terms of the National Road Traffic Amendment Act
 - iv) This exception applies if the said person has held a PrDP but has not renewed it and is applicable to all drivers of:
 - a) goods vehicles with a GVM exceeding 3,500 kg
 - b) breakdown vehicles
 - c) buses
 - d) mini-buses with a GVM exceeding 3,500 kg or with 12 or more seats (including the driver)
 - e) motor vehicles carrying persons for reward
 - f) motor vehicles carrying more than 12 persons

But this shall not apply if you were unaware that the driver was unlicensed and you can prove to our satisfaction that, in the normal course of your business, procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles provided that any driver shall be deemed to be licensed to drive the vehicle if he/she is complying with the licensing laws relating to any of the territories referred to in the Territorial Limits covered by the policy or if a license is not required by law, or while such driver is learning to drive and is complying with the laws relating to learner drivers.

- v) We will not be liable for any claim arising from contractual liability, unless such liability would have attached to us notwithstanding such contractual agreement.

SPECIFIC CONDITIONS APPLICABLE TO THE SECTION

If, during the currency of this Section, any driver's license issued to you or your authorized driver is endorsed, suspended or cancelled, or if he/she or they shall be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to us immediately you have knowledge of such fact.

EXTENSIONS APPLICABLE TO THE SECTION

1. Contingent Liability

The indemnity under Sub-Section B includes claims made against:

- a) You 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 you while being used by any partner, director or employee of yours (referred to as "such person" from here on)
- 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/her or to you or leased or hired by either, but only in so far as such person has not been refused any motor insurance or continuance thereof by any Insurer

Provided that:

- i) all the words in (b) of the exceptions too Sub-Section B are deleted
- ii) we will 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
- ii) any payment by you of subsidies or travelling allowances to such person for the use of his/her own vehicle for official purposes, is allowed without prejudice to the insurance by this extension
- iv) if, at the time of the occurrence of any accident giving rise to a claim under this extension, you or such other person is entitled to indemnity under any other policy in respect of the same occurrence, we will not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other policy
- v) the terms, exceptions and conditions of the policy shall otherwise apply.

2. **Passenger Liability** (if stated on the schedule to be included)

Exception (b) too Sub-Section B shall not apply to vehicles described in definition (b), other than special types, or in definitions (c), (d) or (e). The limit of indemnity for any one occurrence shall not exceed the amount stated on the schedule.

3. **Parking facilities and movement of third-party vehicles**

This section extends to indemnify you 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 you) by any person in the employed by you or acting on your behalf, provided always that such vehicle was being moved:

- a) with the authority of any tenant, customer or visitor of yours or
- b) in connection with your parking arrangements or
- c) to facilitate the carrying out of your business,

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

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

4. **Waiver of subrogation rights**

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

5. **Cross Liabilities**

Where more than one insured is named on the schedule, we 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 our aggregate liability **shall** not exceed the limit of indemnity stated on the Schedule.

6. **Riot and strike**

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

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

Provided that this extension does not cover:

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

If we allege 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 yourself.

7. Loss of Keys

We will indemnify you 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 the disappearance of any key or alarm controller of such vehicle or following upon you having reason to believe that any unauthorized person may be in possession of a duplicate of such key or alarm controller, provided that:

- i) our liability shall not exceed the amount stated on the Schedule
- ii) such amount shall be reduced by the first amount payable stated on the Schedule.

8. Fire extinguishing charges

Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured vehicle and shall be payable in addition to any other payment for which the Insurer may be liable in terms of this section, provided that the Insured is legally liable for such costs and the insured vehicle was in danger from the fire.

9. Wreckage removal

The cover provided under Sub-Section A of this section is extended to include costs and expenses incurred by you in respect of the clearing up and removal of debris and wreckage of any insured vehicle following damage to such vehicle by a defined event up to the amount stated on the Schedule.

SECTION 26: GOODS IN TRANSIT

DEFINED EVENTS

We will indemnify you against loss of or damage to the whole or part of the property described on the schedule, owned by you or for which you are responsible, in the course of transit by the means of conveyance described on the schedule and caused by an accident or misfortune that is not excluded by this policy provided that:

- i) you shall be responsible for the first amount payable stated on the schedule in respect of each and every defined event except for a claim resulting from fire, lightning or explosion;
- ii) our liability for all loss or damage arising from any one defined event shall not exceed the limit of indemnity stated on the schedule.

MEMORANDA

1. Transit shall be deemed to have commenced from the time of moving the property described on the schedule at the consignor's premises (including carrying to any conveyance and loading onto it), continue with the transportation to the consignee including temporary storage not exceeding 96 hours (ninety-six) hours in the course of the journey) and end when off-loaded and delivered at any place of storage at the consignee's premises.
2. If any consignee shall refuse to accept the property consigned, transit shall be deemed to continue and the insurance in respect of such property shall continue in force until the property is delivered at the premises of the consignor by any means of the conveyance, provided that you take all reasonable steps to ensure that the property is returned as soon as is reasonably possible.
3. Where the means of conveyance is by a specified vehicle, the insurance under this section shall apply to the insured property on any vehicle, which is not your property or leased or hired by you under a lease or suspensive sale agreement, that is temporarily used in place thereof while the specified vehicle is undergoing repair or servicing.
4. In the event of breakdown of the means of conveyance during transit or if, for any reason beyond your control, the insured property is endangered, you are permitted to use any other form of transport to assist completion of the transit without prejudicing the cover provided by this section.

RESTRICTED COVER OPTION

The insurance under this section is limited to loss or damage resulting from fire, explosion, collision or the overturning or derailment of the means of conveyance described on the schedule.

SPECIFIC EXCEPTIONS

We will not be liable for:

1. loss or damage resulting from or caused by:
 - a) theft from any unattended vehicle in your custody or control or any principal, partner, director or employee of yours unless the property is contained in a completely closed and securely locked vehicle and the vehicle itself is inside a securely locked building and entry to or exit from the locked vehicle or building is accompanied by force and or violence;
 - b) inherent vice or defect, vermin, insects, damp, mildew or rust;
 - c) the dishonesty of any principal, partner, director or employee of yours, whether acting alone or in collusion with others;
 - d) detention, confiscation or requisition by customs or other officials or authorities;
 - e) or arising whilst in transit by sea and then followed by inland transit
 - f) breakdown of refrigeration equipment unless selected on the schedule and the appropriate premium paid.
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless it is following an accident or misfortune that is not otherwise excluded.
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement of the insured property unless it is following an accident or misfortune that is not otherwise excluded.
4. consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.
5. loss of or damage to:
 - a) cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts, or securities of any kind;
 - b) property outside of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Mozambique, Zimbabwe,

Malawi and Zambia;

c) property otherwise insured or which would, but for the existence of this section, be insured by any other insurance except in respect of any excess beyond the amount which would have been payable under such other insurance, had the insurance under this section not been affected.

OPTIONAL EXTENSIONS

1. **Livestock** (if stated on the schedule to be included)

We will indemnify you in respect of death of the livestock described on the schedule whilst in transit up to the limit stated on the schedule against the following incidents:

- a) fire, collision, derailing or overturning of the conveyance
- b) lightning or flood waters carrying the conveyance away
- c) euthanizing of livestock that are injured or in distress following an incident described in (a) or (b) above
- d) theft following an incident described in (a) or (b) above
- e) the cost of alternative transportation or storage of surviving livestock following an incident described in (a) or (b) above for up to 7 days following the incident

2. **Exclusions to this extension**

- a) death of any livestock under the age of 3 months
- b) death caused by jumping or trampling of the livestock

3. **Breakdown of refrigeration equipment** (if stated on the schedule to be included)

Cover is extended to include loss or damage to the goods being carried resulting from variation in temperature caused by the breakdown or malfunction of the refrigeration equipment on the vehicle (except if caused by fuel starvation) and provided the breakdown lasts for a period not less than 6 consecutive hours.

All temperature control units are to be serviced and maintained in accordance with the manufacturer's guidelines and the driver and supervisor are required to ensure that the temperature is set correctly prior to the commencement of any journey.

4. **Riot and strike** (if stated on the schedule to be included)

Subject to the General terms, conditions and exceptions of the policy this section is extended to cover loss or damage directly caused by or through or in consequence of:

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

Provided that this extension does not cover:

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

If the we allege that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this Section, the of proving the contrary shall rest on you.

SECTION 27: LIVESTOCK

DEFINED EVENTS

We will indemnify you against loss or damage resulting from the death or destruction of your livestock described on the schedule whilst in any building and/or in the open on the premises described on the schedule from an insured event described below:

- 1) Fire or lightning
- 2) Storm, wind, flood, hail or snow
- 3) Impact by any vehicle
- 4) Euthanasia administered by a qualified veterinary surgeon to alleviate suffering of the animal due to injuries caused by an insured event.

LIMIT OF LIABILITY AND BASIS OF INDEMNITY

The amount that we will pay in respect of an insured event will be the value of the insured animal agreed between you and us at the inception of cover and limited to the amount stated on the schedule.

TERRITORIAL LIMITS

Loss or damage occurring within the Republic of South Africa.

SPECIFIC EXCEPTIONS

1. Confiscation, requisition, destruction or detention of any livestock as a result of any order by statute, government or public authority.
2. Loss or damage to livestock not belonging to you or held in your custody or control and for which you are responsible.
3. Defined event 2 will not include frostbite.

SPECIFIC CONDITIONS

1. Condition of animals

All livestock described on the schedule must be in sound condition, good health and free from injury at the commencement of this insurance

2. Death of livestock following an insured event

If any animal described on the schedule succumbs to an injury resulting from an insured event, you are required to report the event to us immediately and allow us the opportunity of inspecting the carcass before disposing of it.

3. Veterinary death certificate

You will be required to provide us with a veterinary certificate that confirms the death of the animal was caused as a result of an insured event.

SECTION 28: LEGAL LIABILITY TO THIRD PARTIES CLAIMS MADE BASIS

DEFINED EVENTS

We will indemnify you in respect of damages which you shall become legally liable to pay consequent upon death of or bodily injury to or illness of any person (referred to as “injury” from here), or loss of or physical damage to property (referred to as “damage” from here) which occurred in the course of or in connection with your business within the Territorial Limits and on or after the retroactive date shown on the Schedule and which results in a claim or claims first being made against you in writing during the period of insurance.

LIMITS OF INDEMNITY

The amount payable, inclusive of any legal costs recoverable from you by a claimant or any number of claimants and all other costs and expenses incurred with our consent for any one event or series of events with one originating cause or source, shall not exceed the limit of indemnity stated on the Schedule.

In the event of any one originating cause giving rise to a claim or series of claims which form the subject of indemnity by more than one Extension of this Section, each Extension shall apply separately and be subject to its own separate limit of indemnity provided always that our liability shall be limited to the highest limit of indemnity available under any one of the Extensions affording indemnity for the claim or series of claims.

Where more than one period of insurance of this Policy, following its renewal or replacement may apply to an originating cause or source, our liability will be limited to the maximum limit of indemnity for any one such period of insurance.

TERRITORIAL LIMITS

Anywhere in the world but not in connection with:

any business carried on by you at or from any premises outside

or:

any contract for the performance of work outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Mozambique, Zimbabwe, Zambia and Malawi.

SPECIFIC EXCEPTIONS

General Exceptions 1 and 2 shall not apply to this Section and the Indemnity expressed by this section shall not apply to or include:

1. Liability arising from injury to any person employed by you under a contract of service, apprenticeship or informal agreement which arises from and in the course of the employment by you.
2. Damage to:
 - 2.1. property belonging to you or that which is under your custody and control or of any employee of yours.
 - 2.2. that part of any property which you are or have been working on if the damage results directly from such work.
3. Liability arising from injury or damage:
 - 3.1. caused by or through or in connection with any advice (other than gratuitous advice) or treatment of a professional nature (other than first aid treatment) given or administered by or at your discretion.
 - 3.2. caused by or through or in connection with the ownership, possession or use by or on your behalf of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment or trailer or of any watercraft (other than non-motorized watercraft on inland waters), locomotive or rolling stock, provided that we shall not be relieved of our duty to indemnify you in respect of liability following injury or damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection the loading or unloading of any vehicle, insofar as such injury is not covered by any other insurance policy.
 - 3.3. caused by or through or in connection with:
 - a) The refuelling of aircraft
 - b) The ownership, possession, maintenance, operation or use of aircraft or an airline
 - c) The ownership, hire or leasing of any airport, airstrip or helicopter pad.

- 3.4. the cost of repair, alteration, recall, reconditioning or replacement of the product or part thereof (including containers and labels) causing injury or damage and/or the loss of use of any product or part thereof. The term "replacement" shall be deemed to include any credit or refund granted or alternative product provided by or on your behalf in lieu of replacement of the defective product
- 3.5. liability in respect of the failure of any product or any part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed but this Exception shall not apply to consequent injury or damage
- 3.6. liability in respect of any defect in any product or any part thereof which you were aware of prior to the inception of this Policy or Section
- 3.7. caused by or through or in connection with goods or products (including containers and labels) sold or supplied and happening anywhere other than on the premises occupied by you and other than food and drink supplied incidentally for consumption on your premises.
- 3.8. 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.
- 3.9. Liability in respect of damage to any property, land or building or death, bodily injury or illness to any person caused by vibration or by the removal or weakening of support to any building or property owned or occupied by you.
- 3.10. Liability assumed by you by agreement and which would not have attached in the absence of such agreement.
- 3.11. Liability in respect of death, injury, illness, loss or damage caused by or in connection with or arising from seepage, pollution or contamination unless caused by a sudden, unintended and unexpected event. The indemnity provided by this Section shall also not apply to or include the costs of removing, nullifying or cleaning up seeping, polluting or contaminating substances. This exception shall not extend the policy to cover any liability which would not have been covered by this policy in the absence of this exception.
- 3.12. Liability in respect of punitive, exemplary or vindictive damages, fines or penalties awarded in any Court
- 3.13. liability in respect of:
 - a) damages arising from any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada (or made anywhere in the world to enforce such judgment, award or settlement either in whole or in part).
 - b) costs and expenses of litigation recovered by any claimant from you which are incurred in and recoverable in the area defined in 8(a) above.
- 3.14. Liability in respect of any claim arising from an event known to you:
 - a) which is not reported to us in terms of General Condition 7.
 - b) prior to inception of this section.
- 3.15. Liability in respect of any claim (in the event of cancellation or non-renewal of this section) which has not first been made in writing against you within the 48-month period (or extended period in respect of minors) as specified in Specific condition 2 below.
- 3.16. Liability arising out of the deliberate, conscious or intentional disregard by your technical or administrative management of the need to take all reasonable steps to prevent claims.

MEMORANDA

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

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

SPECIFIC CONDITIONS

1. Any claim that is first made in writing against you as a result of a defined event and reported in terms of General condition 7 (referred to as “reported event” from here) shall be treated as if it had first been made against you on the same day that you reported the event to us.
2. In the event of cancellation or non-renewal of the policy:
 - a) any claim resulting from a reported event, first made in writing against you during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against you on the same day that you reported the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant.
 - b) you may report an event in terms of General condition 7 to us for up to 30 days after cancellation or non-renewal, provided:
 - i) such event occurred during the period of insurance.
 - ii) any subsequent claim first made in writing against you as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 48-month period specified in 2(a) above.
3. Any series of claims made against you by one or more claimants during any period of insurance consequent upon one event or series of events with one original cause or source shall be treated as if they all had first been made against you:
 - a) on the date that the event was reported by you in terms of General condition 7 or,
 - b) if you were not aware of any event which could have given rise to a claim, on that date that the first claim or series of claims were first made in writing against you.

SECTION EXTENSIONS**1. Extended reported option**

At your option and subject to the payment of an additional premium to be determined and subject to all the terms, exceptions and conditions of this section, we agree to extend the period during which you may report an event in terms of General Condition 7 for a period to be agreed, but in no circumstances exceeding 36 months (referred to as “extended reporting period” from here) provide that:

- a) this option may only be exercised in the event that we cancel or refuse to renew this section.
- b) this option must be exercised by you in writing within 30 days of cancellation or non-renewal.
- c) once exercised, the option cannot be cancelled by either you or ourselves.
- d) you have not obtained insurance equal in scope and cover to this section when it expired.
- e) we shall only be liable for a defined event which occurred after the retroactive date but prior to the date of cancellation or non-renewal.
- f) claims first made against you or any reported event by you during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal.
- g) the total amount payable by us for claims made or reported events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the cancellation or non-renewal.
- h) any claim made, following a reported event during the extended reporting period, which is first made against you in writing more than 48 months after the last day preceding cancellation or non-renewal shall not be subject to indemnification by this extension. If the claimant is a minor, the period of 48 months is extended until the expiry of 12 months after the attainment of majority by the claimant.

2. Additional insured

If requested by you this Section shall extend to indemnify:

- a) in the event of your death, any personal representative of yours in respect of liability incurred by you.
- b) any principal for whom you are carrying out work so far as regards liability for death, bodily injury, illness, physical loss or damage for which you are responsible and happening in connection with carrying out of such work
- c) any partner, director or employee of yours acting within the scope of their employment and within the scope of their authority at the time of the accident
- d) any officer or member of your social, sports or welfare organization, first aid, fire or ambulance services

Providing always that:

- a) any such personal representative, principal, director, officer, member, employee or team member shall, as if they were the

Insured observe, fulfil and be subject to the terms, exceptions, limits and conditions of this Policy in so far as they can apply

and

- b) if at the time of any occurrence or claim there is, but for the existence of this Section, would be any other policy of indemnity or insurance in favour of or effected by or on behalf of such principal, director, officer, member, employee or team member thereof applicable to such occurrence or claim the Insurer shall not be liable under this Section of the Policy to indemnify the principal, director, officer, member, employee or team member thereof in respect of such occurrence or claim.

3. Security firms

Notwithstanding Specific exception 5, if in terms of a contract with a security firm engaged to protect your property in the course of your business or persons at the premises and you become legally liable for the acts or omissions of the employees of the security firm in the course of their employment, then this section includes such legal liability to the extent that indemnity would have been granted under this section had the employees of the security firm been under a contract of service with you and not the security firm but not exceeding the limit of liability stated on the schedule.

If, at the time of an event giving rise to a claim, the security firm is entitled to indemnity under any other policy in respect of the same event, we shall not be liable to make any payment except in respect of any amount above the amount payable under the other policy.

4. Cross Liabilities

If there is more than one Insured under this Policy then we will, in the same manner and to a like extent as though this Policy was issued in the name of one of them only, indemnify you in respect of claims made by any of them (or their servants or agents) against any other of the Insured.

Provided that our total liability shall not exceed the Limits of Indemnity stated on the Schedule

5. Tool of Trade

Section Exception 3 (b) shall not apply to liability in respect of death, bodily injury, illness, physical loss or physical damage resulting from the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto provided that we 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 affected

6. Employees and visitors' property

Specific exception 2 (a) (ii) shall not apply to property belonging to any partner, director or employee of yours or any visitor to your premises.

7. Liability by agreement

Notwithstanding the provisions of Specific exceptions 2 (a) (ii), 3 (b) and 5, this section extends to indemnify you:

- a) against liability assumed by you under any contract entered into with or indemnity given to Transnet, government or quasigovernment departments, provincial administrations, municipalities and/or similar bodies covering the use of railway sidings or in respect of cartage (hazardous premises) agreements and/or agreements of a similar nature.
- b) against liability arising from loss of or damage to property belonging to Transnet while in your custody or control.
- c) in respect of liability caused by or through or in connection with any vehicle, trailer, locomotive or rolling stock belonging to Transnet while being used by you or on your behalf at any railway siding.

8. Unattached trailers and implements

Specific exception 3(b) shall, as far as it relates to trailers and implements, not apply in respect of any trailer or implement not attached to and not having become unintentionally detached from any mechanically propelled vehicle, provided that we shall not be liable for any liability:

- a) which is insured by or would, but for the existence of this section, be insured by any other policy or policies effected by you.
- b) as falls within the scope of any compulsory third-party insurance legislation, notwithstanding that no such insurance is in force or has been affected.

9. Emergency medical expenses

We will indemnify you for all reasonable expenses incurred 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 you in terms of this section.

10. Car Parks and Tenants Liability

Specific Exception 2 (a) and the word “possession” in Specific Exception 3 (b) shall not apply to liability in respect of physical loss of or damage to any vehicle not belonging to you (and/or any contents of or accessory on such vehicle) occurring whilst making use of your parking facilities provided that such vehicle (and/or any contents of or accessory on such vehicle) is not hired by or lent to you or driven by or on behalf of you or in charge or under your control or any employee, servant or agent of yours for the purpose of any work being or having been performed thereon.

Specific exceptions 2 (a) and 4 shall not apply to liability in respect of physical damage to any building or portion thereof occupied by you as tenant but not as owner.

11. Tenants liability

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

12. Products liability (if stated on the schedule to be included)

Notwithstanding anything to the contrary contained in Specific exception 3(d), we will indemnify you in respect of defined events happening anywhere in the territorial limits other than at the premises owned/or occupied by you and caused by goods or products (including containers and labels) sold or supplied (including wrongful delivery and delivery of incorrect goods) by you in connection with the business.

The amount payable under this extension, inclusive of any legal costs recoverable from you by a claimant or any number of claimants, and all other costs and expenses incurred with our consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated on the schedule.

Additional specific exceptions (applicable to the Products liability extension)

This extension does not cover liability:

- 1) For the cost of repair, alteration, recall or replacement of the goods or products (including containers and labels) causing injury or damage.
- 2) For the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the goods or products (including containers and labels) and any other property essential to such repair, alteration or replacement unless physically damaged by the goods or products.
- 3) arising from defective or faulty design, formula, plan or specification, but if you are a retailer this specific exception 3 does not apply if your activities are wholly restricted to sales, distribution and/or marketing (including any marketing advisory service accompanying the products) of the product, and your activities do not include final preparation which means repackaging, packing, labelling, cleaning or provision of operating instructions prior to sale to your original customers, nor include any enhancement, amendment or alteration to the product.
- 4) arising from inefficacy or failure to conform to specification, unless such inefficacy or failure is due to negligence in the following of such specification.
- 5) arising from goods or products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft.
- 6) in respect of injury or damage happening in the United States of America or Canada caused by or through or in connection with any goods sold or supplied by or to your order, if such goods or products have, to your knowledge, been exported to the United States of America or Canada by you or on your behalf.

13. Defective workmanship liability (if stated on the schedule to be included)

Specific exceptions 2 (b) and 3 (h) are deleted

The amount payable under this extension, inclusive of any legal costs recoverable from you by a claimant or any number of claimants and all other costs and expenses incurred with our consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated on the schedule.

Additional specific exceptions (applicable to defective workmanship liability)

This extension does not cover liability:

- a) for the cost of rectifying or recalling defective work.
- b) arising from inefficacy of such work or because the work did not produce the result anticipated or claimed.
- c) arising prior to handing over of such work.
- d) arising from defective design.

- e) arising from any work on any aircraft or part thereof.

14. Legal defence costs (if stated on the schedule to be included)

If requested by you we will indemnify any employee, partner or director of yours in respect of costs and expenses not exceeding the amount stated on the schedule incurred by or on behalf of such person with our consent in the defence of any criminal action brought against such person in the course of their occupation with you arising from an alleged contravention of the statutes defined below during the period of insurance provide that:

- a) in the case of an appeal, we shall not indemnify such person unless a senior counsel, approved by us, shall advise that such an appeal should, in their opinion, succeed.
- b) we will not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any consequential loss.
- c) such person shall, as though they were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this policy and this section in so far as they can apply.

The Statutes:

1. The Consumer Protection Act No. 68 of 2008 (as amended)
2. The Occupational Health and Safety Act No. 85 of 1993 (as amended)
3. The Mines and Works Act No. 27 of 1956 (as amended)
4. The Electricity Act No. 40 of 1958 (as amended)
5. and/or any other Act or Ordinance pertaining to the supply of electricity
6. all as read in conjunction with the Criminal Procedure Act No.51 of 1977 (as amended).

15. Wrongful arrest and defamation (if stated on the schedule to be included)

The defined events are extended to include damages:

- a) resulting from wrongful arrest (including assault in connection with such wrongful arrest)
- b) in respect of defamation

Always up to the limits stated on the schedule for these extensions.

16. E.U. and U. K. Liability (if stated on the schedule to be included)

Subject otherwise to the terms, conditions and limitations, the following changes are made to this section of the policy in respect of "injury" or "damage" (as insured by the Products Liability extension) which results from goods or products exported to any European Union (E.U.) country, European Free Trade Associations (E.F.T.A.) country or the United Kingdom.

1. In respect of these goods or products (other than raw materials), you shall:
 - a) implement and maintain a system in terms of which these goods or products can be clearly identified by batch number or serial number or date stamp or other similar manner.
 - b) note and maintain a record of the date on which the actual goods or products were first put into circulation.
 - c) This record shall be maintained so as to provide the required detail for a minimum period of 10 years after the goods or products were first put into circulation.
2. The information mentioned in (21.1), together with all supporting documentation, shall be made available to us or our nominee at any time on request.
3. In respect of this indemnity, you shall be responsible for the first amount payable shown on the schedule for this extension.

17. Droving and escaping of animals and stray animals (if stated on the schedule to be included)

We will indemnify you for legal liability arising from droving and/or escaping of animals and stray animals provided that:

- a) you take all reasonable precautions to prevent damage and you comply with the laws regarding droving of animals on public roads.
- b) all gates and fences of livestock paddocks directly alongside public roads are kept in good order and condition and that all gates having access to public roads are securely closed at all times.
- c) our liability shall not exceed the amount stated on the schedule.

18. Animals at shows and auctions (if stated on the schedule to be included)

We will indemnify you for legal liability arising from displaying animals at shows and auctions whilst in your custody or control during the show or auction.

19. Spread of fire (if stated on the schedule to be included)

We will indemnify you for legal liability arising from spread of fire provided that:

1. you comply with all of the requirements for the prevention of the spreading of fire as contained in the Forestry Act, 1984 (Act 122 of 1984) (as amended), the Preservation of Agricultural Resources Act, 1983 (Act 43 of 1983) (as amended) and the National Veld and Forest Fire Act, 1988 (Act 101 of 1998) (as amended) or substituted and all regulations promulgated in terms thereof as well as all other relevant statutory requirements.

SECTION CONDITIONS

1. We may in the case of any occurrence pay to you the maximum sum payable under this Section (but deducting any sums already paid in respect of the occurrence) or any lesser sum for which the claim or claims can be settled and relinquish the conduct of any defence settlement or proceedings and we shall not be responsible for any damage alleged to have been caused to you in consequence of any alleged action or omission of ours in connection with such defence settlement or proceedings or of our relinquishing such conduct nor shall we be liable for any costs or expenses whatsoever incurred by you or any claimant or other person after we have relinquished such conduct
2. If at the time of the occurrence or claim there is or but for the existence of this Section would be any other policy of indemnity or insurance in favour of or effected by or on your behalf applicable to such occurrence or claim, we shall not be liable under this Section to indemnify you in respect of such occurrence or claim except in so far as concerns any excess beyond the amount by which would be payable under such other indemnity or insurance had this Section not been effected.
3. After any occurrence covered by this Section no alteration or repair shall, so far as practicable, be made until our consent has been obtained
4. We shall, at all reasonable times, have free access to inspect any property and in the event of any defect or danger being apparent we may give notice in writing to you and thereupon all our liability in respect thereof or arising therefrom shall be suspended until the same be cured or removed to our satisfaction.

SECTION 29: EMPLOYERS LEGAL LIABILITY

DEFINED EVENTS

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

LIMITS OF INDEMNITY

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

TERRITORIAL LIMITS

Anywhere in the world but not in connection with

i) any business carried on by the insured at or from premises outside

or

ii) any contract for the performance of work outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

SPECIFIC EXCEPTIONS

This section does not cover:

1. liability assumed by you under any contract, undertaking or agreement where such liability would not have attached to you in the absence of such contract, undertaking or agreement.
2. liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event.
3. fines, penalties, punitive, exemplary or vindictive damages.
4. damages in respect of judgements that have not been delivered or obtained in the first instance by a court of competent jurisdiction within the Territorial Limits
5. costs and expenses of litigation recovered by any claimant from you which are not incurred in and recoverable in the Territorial Limits
6. any claim arising from an event known to you which is not reported to us in terms of General Condition 7 or prior to the inception of this Section
7. any claim arising from an event known to you before the inception of this insurance or which has been reported to any previous Insurer as being a possible cause of a future claim or claims.
8. any claim (in the event of cancellation or non-renewal of this Section) which was not first made in writing against you.

SPECIFIC CONDITIONS

1. You shall take all reasonable precautions to prevent accidents or illness. After any occurrence covered by this Section arising from or attributable to any defect in the ways, works, machinery and plant connected with or used in the Business no alteration or repair shall, so far as practicable, be made until our consent has been obtained.
2. We shall at all times have free access to inspect the Property and in the event of any defect or danger being apparent to our representative be entitled to give notice in writing to you to rectify the defect or danger and all liability of ours shall be suspended until the defect or danger has been rectified to our satisfaction.

3. Any claim first made in writing against you as a result of a Defined Event reported in terms of General Condition 7 (termed Reported Event from here on) shall be treated as if it had first been made against you on the same day that the Insured reported the event to us.
4. In the event of cancellation or non-renewal of the policy:
 - a) Any claim resulting from a Reported Event, first made in writing against you during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against you on the same day that you reported the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant.
 - b) you may report an event in terms of General Condition 7 to the us for up to 15 days after cancellation or nonrenewal provided that:
 1. such event occurred during the period of insurance
 2. any subsequent claim first made in writing against you as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 48-month period specified in 4(a) above.
 - c) Any series of claims made against you by one or more claimants during any period of insurance consequent upon one event or series of events with one original cause or source shall be treated as if they all had first been made against you:
 1. on the date that the event was reported by the you in terms of General Condition 7, or
 2. If you were 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 you.

5. Principals

Where a principal and you are liable for the same damages and where any contract or agreement between a principal and yourself so requires, we will, notwithstanding the contents of Specific Exception 1 above, indemnify the principal in like manner to you but only so far as concerns the liability of the principal to an employee as mentioned before for death, bodily injury or illness of such person resulting from your negligence or that of your employees provided that:

1. in the event of a claim in terms of this extension, you shall endeavour to arrange with the principal for the conduct and control of all claims to be vested in ourselves
2. the principal shall, as though he were you, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this policy in so far as they can apply.
3. our liability is not hereby increased.

MEMORANDUM

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

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

SECTION 30: EXTENDED LEGAL LIABILITY

DEFINED EVENTS

We will indemnify you against damages which you shall become legally liable to pay but restricted to those events that are insured and covered by the wording and Policy Schedules of the underlying insurance.

LIMITS OF INDEMNITY

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

DEFINITIONS

Underlying insurance shall mean cover in force under those Sections listed in the Schedule under the heading “underlying insurance Sections”.

BASIS OF INDEMNIFICATION

This Section provides indemnity in excess of the limit of indemnity of the underlying insurance provided that:

1. the cover provided by this Section is subject to the same terms, exceptions and conditions as the underlying insurance and where such insurance states that generally or in respect of specified claims the limit of indemnity is the aggregate of all indemnifiable claims occurring or made during the (annual) period of such underlying insurance, then the limit of indemnity under this Section is declared to be on an identical basis as such underlying insurance;
2. the claim is covered by the underlying insurance and is not met in full solely because of the inadequacy of the limit of indemnity of such underlying insurance;
3. where the limit of indemnity of the underlying insurance has been reduced by reason of previous claims, this Section shall provide indemnity in excess of such reduced limit of indemnity;
4. where the limit of indemnity of the underlying insurance has been exhausted by reason of previous claims, we will interpret this Section as if such underlying insurance is still in force and this Section shall provide indemnity in excess of the First Amount Payable (if any) of such underlying insurance. If the underlying insurance is voided for whatever reason, then this Section shall likewise be voided;
5. unless specifically agreed to by us under this Section, any decision by us to accept a claim on an “ex gratia” or “without prejudice” basis in terms of the underlying insurance shall not be covered under this Section.

SPECIFIC EXCEPTIONS

We will not indemnify you in respect of:

1. fines, penalties, punitive, exemplary or vindictive damages;
2. any liability arising out of the transportation of hazardous substances if such transportation was not in compliance with chapter VIII of the National Road Traffic Act 1996 (Act 93 of 1996) (as amended);
3. any judgement, award or settlement in respect of motor third party liability made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement in whole or in part).

SPECIFIC CONDITIONS

The indemnity granted by this Section is conditional upon the underlying insurance remaining in force throughout the period of insurance.

The limits of indemnity in terms of the underlying insurance shall not be less than those reflected under the heading “Minimum underlying insurance indemnity limits” contained in the Schedule. If, at the date of loss, the limit of indemnity in terms of the underlying insurance, is less than the said minimum limits, then the Insured shall be considered as being their own insurer for the difference unless such underlying limit of indemnity is less

than the said minimum limits solely as a result of having been reduced by reason of previous claims.

SECTION 31: GROUP PERSONAL ACCIDENT

DEFINED EVENTS

If during the period of insurance an Insured Person named on the Schedule sustains bodily injury as the result of an accident which directly and independently of any other cause results, within 24 calendar months, in Death, Disability or the incurring of Medical Expenses we will pay to you or your Employee's personal legal representatives the Compensation stated on the Schedule up to the maximum limits of liability therein.

DEFINITIONS

Annual Earnings – means the annual rate of salary or wages and any other allowance of a regular and constant nature paid to the Insured Person at the time of the accident.

Average Weekly Earnings – means one fifty second part of the annual earnings of the Insured Person. In respect of casual workers with less than 12 months' service with the insured, prior to the date of the accident, the one fifty second part shall be calculated by applying the total of all earnings received from the Insured divided by the total number of consecutive weeks' service.

Accident – means a fortuitous unexpected event occurring at an identifiable place and time.

Bodily Injury – means traumatic bodily injury caused by an accident and shall be deemed to include bodily injury caused by starvation, thirst and exposure to the elements as a result of an accidental occurrence.

Insured Persons – means the Person or Persons named on the Schedule who are specifically covered by this Section.

Loss – used in reference to limb, hand, thumb, fingers, foot or toes means the loss by physical severance or total and permanent loss of use of such member.

Permanent Total Disability – means bodily injury resulting in total and absolute disablement preventing the Insured Person from following the usual occupation, or any other occupation for which he or she is suited by education or training, for 24 consecutive months and which, at the expiry of that period, beyond hope of improvement.

Permanent Partial Disability – means bodily injury which causes a permanent disability but not causing inability to work.

Temporary Total Disability – means bodily injury temporarily and totally preventing the Insured Person from engaging in or giving attention to his or her usual occupation.

Temporary Partial Disability – means bodily injury temporarily preventing the Insured Person from engaging in or giving attention to his or her usual occupation on a 100% full time basis.

Medical Expenses – means expenses necessarily incurred within 24 months of the date of the accident for medical, surgical, dental, ophthalmic and hospital treatment and emergency travel costs reasonably and necessarily incurred.

TERRITORIAL LIMITS

Coverage applies anywhere in the World unless otherwise restricted by an endorsement and/or memorandum to this Section.

SPECIFIC OPERATING TIME

Coverage applies 24 hours a day, 7 days a week unless otherwise restricted by an endorsement and/or memorandum to this Section.

PROVISIONS

1. Compensation shall only be payable under one of the items 1 and 2 of the Table of Benefits.
2. Compensation for Temporary Total Disablement and/or Medical Expenses shall be paid in addition to any Compensation paid or payable under Items 1 or 2 of the Table of Benefits.
3. The compensation specified for Temporary Disability (Partial or Total) shall cease as soon as the Bodily Injury causing the incapacity has healed insofar as it is reasonably possible notwithstanding that Permanent Disability may remain but shall in any event not be payable for more than the number of weeks stated on the Schedule.

4. Any compensation payable by us for any period of Temporary Total Disability, Temporary Partial Disability or for the reimbursement of Medical Expenses shall be reduced by an amount equal to the Compensation received or receivable by or on behalf of the Insured Person under the terms of the Compensation for Occupational Injuries and Diseases Act, 1993 for Temporary Disablement (partial or total) for the same or a lesser period and/or in respect of Medical Expenses.
5. Any compensation payable by us for any period of Temporary Disability (partial or total) shall not exceed the average weekly earnings by the Insured Person at the time of the accident.
6. The combined period for Temporary Total Disability and Temporary Partial Disability benefits shall not exceed in total the number of weeks stated on the schedule in respect of Temporary Total Disability.
7. The compensation for Temporary Partial Disability shall not exceed 40% of the benefit specified on the schedule for Temporary Total Disability.
8. Where amounts recoverable from us are delayed pending finalization of any claim, payments on account can be made to you, at our discretion, on receipt by ourselves of certification by a medical doctor appointed by us.
9. Upon payment of a claim under items 1 to 2.4 (other than 2.2.1) or of 100% under Item 3 of the Schedule of Permanent Disability this Section shall be terminated in respect of the Insured Person for whom such payment is made.

PROVISIONS

1. Schedule of Permanent Disability

The following percentages of the Compensation Limit stated on the Schedule shall be payable in the event of Bodily Injury resulting in:

- | | |
|---|------|
| a. Permanent Total Disability | 100% |
| b. Permanent and total loss of: | |
| Speech | 100% |
| Hearing in both ears | 100% |
| Hearing in one ear | 25% |
| One or more limbs at or above the wrist or ankle | 100% |
| Sight in one or both eyes | 100% |
| Four finger of either hand | 70% |
| Thumb of either hand – both phalanges | 30% |
| One phalanx | 15% |
| Index finger, either hand | |
| Three phalanges | 10% |
| Two phalanges | 8% |
| One phalanx | 5% |
| Any other finger, either hand | |
| Three phalanges | 6% |
| Two phalanges | 4% |
| One phalanx | 2% |
| Toes | |
| All on one foot | 30% |
| Great, both phalanges | 5% |
| Great, one phalanx | 3% |
| Other than Great, if more than one toe lost – each | 1% |
| c. Permanent Disability not specified herein - a percentage, which in the opinion of the Insurer is consistent with the above, insofar as possible. | |

In the event of Compensation being due under more than one of the benefits referred to above as a consequence of any one accident to any one Insured Person the maximum payable hereunder shall not exceed 100% in total under the Schedule of Permanent Disability Benefits.

SECTION EXCEPTIONS

We shall not be liable to pay Compensation for Bodily Injury in respect of any Insured Person:

1. caused by such person's suicide, attempted suicide or intentional self-injury or deliberate exposure to obvious risk or injury (unless in an attempt to save human life),
2. whose death or disability is directly or indirectly caused by, arising or resulting from or traceable to any physical defect or infirmity which existed prior to the accident. However, if the pre-existing conditions of the Insured Person merely aggravated the cause of the Bodily Injury, the Insurer may, in its discretion pay an amount which it considers would have been payable but for such aggravation,
3. under 15 or over 70 years of age,
4. whilst the insured person is travelling by air other than as a passenger. (a passenger does not include a member of the crew of the aircraft or any person being conveyed for the purpose of any trade or technical operation relating to the aircraft),
5. as a direct result of the Insured Person:
 - a) being under the influence of alcohol, drugs or narcotics unless such drugs or narcotics were administered lawfully or prescribed by and taken in accordance with the directions of a medical practitioner (other than the Insured Person),
 - b) driving a motor vehicle and having more than the legal limit of alcohol in his/her blood,
6. whilst participating in any riot, strike, civil commotion, public disorder, or as a result of deliberately committing a criminal offence,
7. arising from:
 - a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power, or any events or causes which determine the proclamation or maintenance of martial law
 - b) whilst such Insured Person is on active service with the military, naval, air or police services of any nation, provided that this insurance shall continue to apply in respect of Accidental Bodily Injury sustained independently of such contingencies.
8. Whose death or disability is directly or indirectly attributable to Human Immunodeficiency Virus (HIV and/or any HIV related illness) or Acquired Immune Deficiency Syndrome (AIDS) including derivatives or variations thereof howsoever caused. The onus of proof shall always be upon the Insured to show that death or disability of an Insured Person did not arise through or was not caused by HIV or AIDS,
9. whilst participating in any extreme or contact sport, mountaineering necessitating the use of ropes, winter sports involving snow or ice, polo on horseback, steeple chasing, hang gliding or micro lighting,
10. whilst engaging in racing of any kind involving the use of pedal cycles, motor cycles, motor vehicles, motor boats or any other craft.

SPECIAL EXTENSIONS**1. Disappearance**

If after a suitable period of time of the disappearance of an Insured Person, it is reasonable to believe that such person has died as a result of bodily injury the Death Benefit shall be payable provided that if such belief is incorrect such benefit shall be repaid to us.

2. Disfigurement

The Schedule of Permanent Disability Benefits is hereby extended to include Bodily Injury resulting in permanent disfigurement of:

- a) the head, neck and hands - provided the total area affected exceeds 20% of the total area
- b) all other areas of the body – provided the total area affected exceeds 5% of the total area of the body.

Compensation payable hereunder is a percentage of the compensation in direct proportion to the area affected. The benefits payable in terms of a) and b) above shall apply independently and be cumulative, but the overall liability of the Insurers for permanent disfigurement resulting from an accident or series of accidents arising from one cause for any one Insured Person shall be limited to 50% (fifty percent) of the amount payable for Permanent Total Disability. Compensation shall not be payable under this extension in addition to compensation payable for the same bodily injury under the Schedule of Permanent Disability Benefits.

SECTION EXTENSIONS

Subject to an Insured Person suffering accidental bodily injury which is the subject of a valid claim hereunder the following extensions are applicable:

1. **Funeral Costs** (applicable in addition to an Insured Death benefit)

Expenses necessarily incurred in preparing and interring or cremating a deceased Insured Person, including the cost of finery, stonework and urns, up to a limit of R15,000 (fifteen thousand Rand).

2. **Body Transportation Costs** (applicable in addition to an Insured Death benefit)

If death takes place further than 100 kilometres from that in which the deceased Insured Person normally resided the Insurers will pay the reasonable and necessary costs, up to a limit of R15,000 (fifteen thousand Rand), of returning the body to his/her normal place of residence for burial.

3. **Repatriation Costs** (applicable to insured benefits other than Death benefit)

In the event of serious accidental bodily injury to an Insured Person, we will pay the reasonable and necessary costs in the repatriation of the Insured Person to his normal place of residence, subject to the prior consent of the Insurers being obtained. This consent will not be withheld unreasonably. A limit of R20,000 (twenty thousand Rand) will apply to each Insured Person and a maximum limit of R100,000 (one hundred thousand Rand) in any one period of insurance.

4. **Relocation Costs**

In the event that it is necessary to replace as employee a deceased or permanently disabled Insured Person we will indemnify you for relocation costs for such person, his/her family, furniture and pets the costs not exceeding R20,000 (twenty thousand Rand) incurred by you in relation to any one person who is required to move more than 100 kilometres.

5. **Emergency Transportation Costs**

In the event of bodily injury sustained at the Insured Person's place of work we will indemnify you for reasonable costs of emergency transportation to the nearest suitable medical facilities immediately following such accident, subject to a limit of R15,000 (fifteen thousand Rand) per occurrence.

6. **Rehabilitation Costs**

In the event that you demonstrate, to our reasonable satisfaction, that an Insured Person has suffered Permanent Disability such that he/she cannot continue to be employed in the occupation in which he/she was employed at the time of the accident but may be retained by you, or by any registered training centre, we will contribute 80% (eighty percent) of such retraining costs up to a maximum liability of R15,000 (fifteen thousand Rand) per person.

7. **Mobility Costs**

In the event that the Insured Person suffers Permanent Disability of such a nature that he/she needs, and can operate, a self-powered, climbing wheelchair and/or his/her motor vehicle with the controls suitably adjusted, then we will indemnify the Insured Person for 95% (ninety five percent) of the costs of such wheelchair and/or suitable adjustments, including wheelchair loading equipment and alterations to the Insured Persons residence if necessary, up to a maximum liability of R15,000 (fifteen thousand Rand) per person.

8. **Hijacking/Abduction/Kidnapping**

In the event of the unlawful seizure or wrongful exercise of control of any aircraft or conveyance (including the crew thereof) in which the Insured Person is travelling, or the abduction or kidnapping of the Insured Person, the cover in terms of the Temporary Total Disability benefit of this Section shall continue in force for the duration of such event or 12 months from the date of such event, whichever is the lesser period.

If Temporary Total Disability is insured, the Insurers will regard the hijacking, abduction or kidnapping of an Insured Person as a claim for Temporary Total Disability, provided that:

- a) our liability is limited to the period of hijacking, abduction or kidnapping or eight weeks, whichever is the lesser,

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- b) no compensation shall be payable if any member of the Insured Person's immediate family is involved in the hijacking, abduction or kidnapping as a principal or accessory,
- c) the maximum liability per event is R20,000 (twenty thousand Rand) and R100,000 (one hundred thousand Rand) per policy in any 12-month period of insurance.

9. Trauma Counselling

In the event of an Insured Person being subjected to an act of violence or a traumatic accident, we will reimburse counselling fees actually incurred by such person as a result of the act of violence or traumatic accident provided that:

- 1) the maximum amount payable by the Insurer will be R500 (five hundred Rand) per visit and R10,000 (ten thousand Rand) per Insured Person and R100,000 (one hundred thousand Rand) per policy in any one 12-month period of insurance,
- 2) the act of violence shall mean an assault, robbery, rape or armed car hijack,
- 3) for the purpose of this extension only, the Insured Person shall include immediate family of such Insured Person, who are subjected to the same incident or occurrence of violence or traumatic accident as the Insured Person,
- 4) the act of violence has been reported to the police and a case number obtained.

10. Warranty

It is hereby warranted that to the best of your knowledge and belief, all Insured Persons are, at the inception of each period of insurance in good health and are not suffering from any physical or mental defect or infirmity which might give rise to a claim under this Section.

SECTION CONDITIONS

- 1. This Section is not assignable. Compensation shall be payable only to the Insured Person whose receipt shall effectually discharge the Insurer. No Insured Person shall have any right against us.
- 2. No sum under this Section shall carry interest.
- 3. You shall give notice to us within a reasonable time of any material change in the Business or an Insured Persons occupation and shall pay any additional premium required by us in consequence thereof.
- 4. Notice must be given to us in writing on the prescribed claim form as soon as practicable within three calendar months of any occurrence which may give rise to a claim under this Section but notice of death must be given forthwith and we shall have the right to have a post mortem examination of the body.
- 5. All certificates, information and evidence require by us shall be furnished without expense to us within 30 days of our notifying you of our requirements.
- 6. After incurring Bodily Injury for which Compensation may be payable under this Policy, the Insured Person shall, when reasonably required by us to do so, submit to medical examination on behalf of and at our expense undergo any treatment specified. We shall not be liable to make payment unless this Condition is complied with to our satisfaction.
- 7. Qualified medical advice shall be sought and followed promptly on the occurrence of any Bodily Injury and we shall not be liable for any part of any claim which in the opinion of their medical adviser arises from the unreasonable or wilful neglect or failure of an Insured Person to seek and remain under the care of a qualified member of the medical profession.
- 8. If any difference shall arise as to the amount to be paid under this Section (liability being otherwise admitted) such difference shall be referred to arbitration in accordance with the statutory provisions for the time being in force and the making of an award shall be a condition precedent to any liability by us to make any payment under this Policy.
- 9. In the event that we disclaim liability in respect of any claim and an action or suit not being commenced within twelve months after such disclaimer or, in the case of an arbitration taking place, within twelve months after the Arbitrator shall have made their award, all benefits under this Policy in respect of such claim shall be forfeited.
- 10. If any claim under this Policy is in any respect fraudulent or intentionally exaggerated or if any fraudulent means or devices are used by you or the Insured Person or anyone acting on their behalf to obtain any benefit under this policy all benefits shall be forfeited.