

A low-angle, upward-looking photograph of a modern skyscraper with a glass and steel facade. The building is the central focus, with its lines converging towards the top of the frame. The sky is a clear, pale blue. The image is overlaid with several thin, white diagonal lines that create a sense of geometric structure and depth. The overall color palette is dominated by blues and greys, with a touch of green from the logo.

**BUILDINGS
COMBINED**

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Reference is made in the Schedule only to those sections shown in this index to be included and policy wordings are attached in respect of those sections only.

At first issue of this Policy (or any section thereof), please check to ensure that all pages of all included sections are contained in this document.

At renewal or revision, policy wordings will not be reissued. The Schedule will be updated and reissued as necessary together with any section Schedule which may have changes.

THE POLICY

This policy is a contract between the Insured and the Insurer. The Insured is referred to as the Insured. Details of the Insurer, the Underwriting Manager and Insured broker are shown in the schedule.

The following are very important information for each of the policy sections:

- The definitions of certain words.
- What the Insured is covered for.
- Limitations of cover.
- What cover is not provided to the Insured, referred to as exclusion.
- The process for settlement of claims and contact details of the Insured and Underwriting Manager.

There are General Exclusions, Conditions and Provisions, and Claims Procedures which are applicable to all sections of the policy and Specific Exclusions and Conditions applicable to the individual policy sections that must be adhered to in order for Insured to have insurance cover.

It is very important to note that the insurance contract or policy is based on information provided by the Insured at the time that the Insured applies for insurance cover and information that may be provided after inception of the insurance cover.

INSURER'S UNDERTAKING

Subject to Insured having paid the premium, and if the Insured comply with all the terms and conditions stipulated in the policy, the Insurer will provide the Insured with insurance cover as stipulated the policy.

DEFINITIONS

“Building” means buildings and all outbuildings thereto, constructed of brick, stone, concrete or metal, roofed with slate, tile, concrete, (this is referred to as standard construction in the schedule) or any other material specifically stated in the schedule, and anything else permanently built, constructed or installed on the Insured's property that the Insured own or are legally responsible for, and tenants fixtures and fittings (if stated in the schedule to be included).

However, Building does not include:

- a) Gardens, plants, lawns, trees, gravel, pebbles, rocks, stones, soil, or sand except as covered under Extra Cover;
- b) Any property belonging to tenants, or for which they are responsible;
- c) Unfixed/ movable floor coverings, curtains and window coverings;
- d) A new building
- e) Dam walls
- f) Hedges
- g) Swimming pool covers
- h) Above- ground portable swimming pools
- i) Marinas, wharves, docks, jetties, and pontoons used for commercial purposes or to provide fuel distribution facilities
- j) Mobile air- conditioning units.

“Employee” means any person employed by the Insured in term s of a contract of service or apprenticeship.

“Excess” means the first amount payable by Insured or deducted by the Insurer in the event of a valid claim.

“Insured Property” means the building and other specified item s at the situation shown in the schedule.

“Limit of indemnity” means the most that the Insured can claim for any one incident, or in any one annual period of insurance. The monetary limit is shown against the item in the schedule and indicated as the Limit of Indemnity.

“Period of insurance” means the period for which Insured has cover for as stated in the schedule and any subsequent period for which the Insurer has agreed to accept a renewal premium.

“Policy” means this document and the most recent schedule.

“Schedule” means the attachment to this policy which shows the sections and benefits applicable, sums insured, limits of indemnity, excesses and the premium payable.

“Sum insured” means the maximum amount Insured can claim for any one incident. The amount is shown against the item in the schedule as the sum insured.

“Insurer” means the Insurer named in the schedule.

“Insured” means the person, company or legal entity shown in the schedule as the Insured.

GENERAL EXCLUSIONS

Specific Exclusions shall override General Exclusions.

ASBESTOS (APPLICABLE TO LIABILITY SECTION)

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

CONSEQUENTIAL LOSS AND DAMAGE

No cover is provided for any consequential loss or damage of any kind whatsoever, except where the Insurer specifically state that damage or loss of this nature will be covered.

CONTRACTUAL LIABILITY

This policy does not cover any contractual liability, except where the Insurer specifically state that liability of this nature will be covered.

CORONAVIRUS OR 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.

CYBER EXCLUSION

This Policy excludes any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Incident. Cover will be provided for physical loss or damage to the property insured under this Policy, which is caused by an insured peril, including business interruption resulting therefrom, directly occasioned by a Cyber Incident. Nevertheless, any loss, damage, destruction, distortion, erasure, corruption, or alteration of Electronic Data directly occasioned by the Cyber Incident shall not be recoverable hereunder, nor be considered as physical loss or damage for the purposes of this exclusion clause.

Meaning of words:

"Cyber Incident" shall include:

- Unauthorised or malicious acts regardless of time and place, or the threat or hoax thereof;
- Malware or Similar Mechanism;
- Programming or operator error whether by the Insured or any other person or persons;
- Any unintentional or unplanned, wholly or partially, outage of the Insured's Computer System not directly caused by physical loss or damage;
- Affecting access to, processing of, use of or operation of any Computer System or any Electronic Data by any person or group(s) of persons.

"Computer System"

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

"Electronic Data"

Facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Malware or Similar Mechanism"

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

DAMAGE OR LOSS CAUSED DIRECTLY OR INDIRECTLY BY INFECTIOUS OR CONTAGIOUS DISEASE

Notwithstanding any specific provision of a specific section of this policy including any exclusion, exception, insured peril, extension or other provision not mentioned herein which specifically overrides a general exclusion, this policy does not cover death, injury, sickness, loss, damage/s (physical or financial), cost or expense of any type whatsoever, legal liability, or any consequential loss directly or indirectly caused by, arising out of, resulting from or in consequence of

1. Any infectious or contagious disease (of whatsoever nature or cause);
2. Any indication, fears or threat of a possible infectious or contagious disease (of whatsoever nature or cause);

Irrespective:

- i. Of where in the world such disease may exist or be feared to exist.
- ii. Of whether or not a declaration by a local, regional, international or governmental authority including but not limited to the President of South Africa that an infectious or contagious disease exists locally or in any area or nationally or constitutes or has given rise to a national state of disaster or emergency.

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

LOSS OF DATA

This policy does not cover any liability, loss or damage to electronic data by any cause whatsoever.

INTENTIONAL DAMAGE

This policy does not cover any deliberate or intentional loss, damage or liability or omission caused or incurred by Insured or by any person acting with the Insured express or implied consent.

NUCLEAR

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

- a) ionising, radiation or contamination by radio- activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- b) nuclear material, nuclear fission or fusion, nuclear radiation;
- c) nuclear explosives or any nuclear weapon;
- d) nuclear waste in whatever form;

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

WAR, RIOTS, POLITICAL UNREST, PUBLIC DISORDER, TERRORISM OR ACTS OF A SIMILAR NATURE

This policy does not cover loss of or damage to property related to or caused by:

- a) civil commotion, labour disturbances, riot, strike, lock- out or public disorder or any act or activity which is calculated or directed to bring about any of the above;
- b) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), or civil war;
- c) mutiny, military rising or the 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, insurrection, rebellion or revolution;
- d) any act (whether on behalf of an organisation, body, 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;
- e) any act calculated or directed to bring about loss or damage 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;
- f) any attempt to perform any act referred to in exclusions d) and e) above;
- g) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any event referred to in any of exclusions a) to f) above;
- h) any act of terrorism.
- i) any event for which a fund has been established under the War Damage

Insurance and Compensation Act (No. 85 of 1976) of the Republic of South Africa or any similar act operative in any of the territories to which this policy applies.

ELECTRICITY GRID FAILURE EXCLUSION

We do not cover any loss, damage/s (physical or financial), cost or expense of any type whatsoever, legal liability, or any consequential loss directly or indirectly caused by, attributable to, arising out of, resulting from, following or in any way in consequence of or in connection with any Electricity Grid Failure (as defined below).

ELECTRICITY GRID FAILURE is an interruption to or suspension of electricity supply, in any manner, from whatsoever source, and for any reason (including damage and any inability and/or failure on the part of the supplier) which affects an entire municipality (including local, district, regional or any other level that is created by law) or province or the country at substantially the same time, including any interruption, power surge or suspension at the reconnection or reinstatement of electricity supply.

This exclusion also applies to consequential losses in respect of any public utilities that are affected by Electricity Grid Failure including, but not limited to, the disruption of water, telecommunications, and sewage systems as well as the deterioration of stock, food or other items.

This exclusion does not apply to Loadshedding (defined below) which remains covered subject to the remaining terms and conditions set out in the policy.

LOADSHEDDING is the intentional, total, or partial, withholding of electricity supply (from any source) by any party other than the insured implemented in phases which do not affect a municipality (including local, district, regional or any other level that is created by law) or province or the country at substantially the same time.

The theft covers of the policy have security requirements, such as alarm systems. It must be noted that there is no cover in place if these requirements are not met in any way, whether directly or indirectly due to Electricity Grid Failure. The Provision in the alarm warranty that states "cover will continue to be applicable whilst the alarm system is not operative due to a failure of the public supply of electricity at the terminal ends of the supply authority's service feeders and that such failure is not due to any act or omission of the Insured." is deleted should such unavailability of electricity be as a result of Electricity Grid Failure.

GENERAL CONDITIONS

Specific Conditions and Provisions shall override General Conditions and Provisions.

BREACH OF WARRANTIES AND CONDITIONS

The conditions and warranties of this policy and its sections, apply individually to each of the risks insured and not collectively. Therefore, any breach will render nil and void that section in respect of the risk to which the breach applies.

CANCELLATION

Insured have a cooling off period of 14 days from the inception date of this policy. If the Insured decide for any reason that this policy does not meet the Insured's requirements the Insured must advise the Insurer in writing within 14 days and the Insurer will cancel this policy and refund any premiums paid by the Insured in full. The Insured will however not receive a full refund if Insured have made a claim during this period.

If the Insured wish to cancel this policy after the 14-day cooling off period, the Insured must advise the Insurer in writing and Insured will only be entitled to a prorated refund of premium.

The Insurer may cancel this policy by giving the Insured 31 days' notice (or such other period as may be mutually agreed) in writing by post, e-mail or fax.

CHANGE OF RISK PROFILE

The Insured must immediately advise the Insurer of any change in his/her/its risk profile which may materially alter any of the facts or circumstances that existed at the commencement of this policy. In particular this applies to the use of or occupation of the building, as well as any changes that increase the risk of loss or damage or the likelihood of liability claims.

Where the Insured fails to notify the Insurer, the Insurer shall not be liable for any loss, damage or liability caused or contributed to by any such change or alteration.

The Insurer reserve the right to amend the rate, terms and conditions of the policy with immediate effect if the Insurer's exposure is increased by the change in risk profile.

COST OF CLAIMS PREPARATION FEES

The Insurer will pay the reasonable costs that the Insured incur in certifying or verifying any particulars or details the Insurer require in terms of General Claims Procedure 1 to substantiate the amount of any valid claim under this policy. The Insurer will only pay these costs if the Insured have first obtained our written consent.

DEFECTIVE DESIGN, LACK OF MAINTENANCE AND COST OF MAINTENANCE

The insurance provided by this Policy does not cover loss of or damage to property stated in the Schedule related to or caused by or attributable or relating to defective design, workmanship, construction or material or lack of maintenance or the cost thereof.

EXCESS

The Insurer will reduce the amount the Insurer pay the Insured for any valid claim by the amount of the excess as shown in the schedule. The excess is due before the claim is settled and the Insurer may deduct it from the settlement. If a claim, or series of claims, results from one event or cause, the excess the Insured pay will be the highest excess applicable plus any cumulative excess as stated in this policy.

FRAUD AND INTENTIONAL ACTS

All cover in terms of this policy will be forfeited if:

- a) a claim is in any respect fraudulent or if fraudulent means are used by the Insured, or by others with the Insured's knowledge, to obtain any benefit under this policy;
- b) a claim in any way occurs as a result of any wilful acts committed by the Insured or with the Insured's connivance or knowledge;
- c) false information is furnished in respect of any claim;
- d) wilful exposure to needless peril occurs, except in an attempt to save human life.

NON-DISCLOSURE, MISREPRESENTATION AND MISDESCRIPTION

An item, section or sub-section of this policy or the entire policy, will be deemed voidable in the event of any misrepresentation, misdescription or non-disclosure of any material fact which could have influenced our decision to insure Insured or the terms to apply when the Insurer agreed to insure Insured.

SANCTION LIMITATION AND EXCLUSION

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

VALUE ADDED TAX (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 the Terms, Conditions, Provisions and Limitations of this Policy shall apply, and VAT 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 4.1 and 4.2 above, the Company will, to the extent that the Insured is accountable to the tax authorities for value-added tax in respect of any payment in terms of this Policy, include the amount of such tax in the final settlement of any claim in terms of this Policy.

PROVIDED THAT:

The total amount payable for any Defined Event and the VAT related thereto shall not exceed the sum insured/limit of indemnity set against such Defined Event.

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

Furthermore, in the event of a change in the rate of VAT during the period of insurance, sums insured, limits of indemnity and, if appropriate, premiums shall be adjusted automatically.

FIRE PROTECTION

It is a condition precedent to liability under this policy that Insured comply with all Building Regulations and Building Standards Act (No. 103 of 1977) as amended or substituted from time to time, or any similar applicable legislation, and the regulations thereto as well as any other regulations or provisions in any by-law, with regard to the installation, maintenance and servicing of all fire protection and firefighting equipment.

The maximum amount that the Insurer will pay is the amount as shown in the schedule.

COOPERATION

Insured must extend to the Insurer all reasonable cooperation to enable the Insurer to assess, investigate, reinstate, replace, repair, and exercise all our rights under this policy. If the Insured does not render such cooperation or if the Insured cause any unreasonable delays that prevent the Insurer from assessing, investigating, repairing, reinstating, or replacing or exercising any of our rights, the Insurer at its discretion, may elect not to indemnify the Insured.

CO-INSURANCE

If more than one insurance company or insurer participates in this policy, the words "the Insurer" will include "insurers" wherever it appears. In this event the percentage share of each insurer will be that expressed in the schedule and the liability of each insurer individually limited to the percentage share shown against its name.

HOLD COVERED

If the Insurer is holding cover on a risk, the Insurer will not reject a claim on the basis that the premium has not been agreed.

INSPECTIONS

The Insurer or its service providers have the right to inspect and examine, by appointment, any insured property under this policy. Neither our inspection nor our failure to inspect, alters the terms and conditions of this policy or the Insured's obligations in any way. Any inspection will be restricted to matters which, in our opinion, are relevant to this policy.

JOINT INSURED

When there is more than one party named in the schedule as an insured, the Insurer will treat each as a separate and distinct party.

The words Insured, the Insured and Insureds will apply to each party in the same manner as if a separate policy had been issued to each party. However, our liability for any sum insured or other policy limit for any one event or occurrence is not increased.

Any act, breach or non-compliance with the terms and conditions of this policy committed by any one such party will not be prejudicial to the rights and entitlements of the other insured party.

Provided that as soon as the other insured party becomes aware of any act, breach or non-compliance which increases the risk of loss, damage, or liability, they must give the Insurer written notice.

LIABILITY UNDER MULTIPLE SECTIONS

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

BUILDING REGULATIONS, LEGAL AND LEGISLATIVE REQUIREMENTS

The Insured must take all reasonable steps to ensure that the insured property complies with the all applicable Building Regulations and Building Standards Act (No. 103 of 1977), as amended, or substituted from time to time, or any similar applicable legislation, and the regulations thereto. The Insured must also take all reasonable steps to ensure that plans were submitted to and approved by the local authority at the relevant time of construction.

The Insured must also comply with all statutory obligations, laws and bylaws, regulations, safety requirements and statutes and regulations thereto imposed for the safety of property or persons.

OTHER INSURANCE

If any loss, damage or liability which Insured are claiming for under this policy is covered by any other insurance, the Insurer will only pay our proportionate share of the claim.

PAYMENT OF PREMIUMS

Premiums paid annually

Premiums are payable on or before inception or renewal dates, the Insurer will not be obliged to accept premiums paid after the inception or renewal dates but may do so on terms that the Insurer may determine at our sole discretion. The acceptance of a premium will not be regarded as waiver of any of our rights (including but not limited to the rights of repudiation and avoidance) and will not be regarded as the Insurer having agreed that the policy has inception or renewed.

Premium paid by debit order

Premiums are due in advance and, if not paid by the inception or due date the Insurer will re- debit the following month and should the premium not be paid when re- debited, this policy will be regarded as cancelled at midnight on the last day of the preceding period of insurance. This will not apply if the Insured can show that failure to make payment was due to an error on the part of the Insured's bank or other paying agent.

Due date will be the first day of every calendar month if the premium is payable monthly, after inception; or the first day of each:

- a) third calendar month after inception, where the premium is payable quarterly; or
- b) sixth calendar month after inception, where the premium is payable half yearly; or
- c) twelfth calendar month following inception, where the premium is payable annually.

REASONABLE PRECAUTIONS

The Insured as well as the Insured's employees, representatives and agents, must do all that the Insured reasonably can do to prevent legal liability, or loss or damage to the insured property, and to maintain such property in a sound condition and in a good state of repair, including repairing faults or fixing defects to items such as (but not limited to) roofs, gutters, drains, water pipes and tiled areas when they leak or need repairs.

SECURITY COMPANIES

If any employee of a security firm that the Insured employ under a contract causes loss or damage, the Insurer agree not to exercise its rights of recourse against the security firm if in terms of the contract, the Insured may not claim against the security firm. The Insurer will not raise, as a defence to any valid claim submitted under any section of this policy, that our rights have been prejudiced by the terms of any contract entered into between Insured and the security provider relating to the protection of the insured property.

INFORMATION SHARING

While the Insurer respect the confidentiality of the information the Insured has provided, in order to combat insurance fraud and evaluate and properly underwrite risks, the South African Insurance Association (SAI A) has created a shared database for storing insurance information. Information sharing contributes significantly to limiting insurance fraud and assessing risks fairly.

In terms of South African law, the Insurer may reveal or receive information if the Insurer intend using it to prevent fraud and to underwrite risks fairly. This clause allows the Insurer to store the Insured's information in the shared database and to verify any underwriting information against legally recognised sources of databases.

On Insured's behalf, and on behalf of any person the Insured represent in this policy, the Insured hereby waive any right to privacy with regard to the sharing of any underwriting and claims information (including credit information) that Insured provide or that another person provides on the Insured's behalf in respect of any insurance policy or claim Insured make or lodge.

In addition to preventing fraud and underwriting risks, the Insured's information may also be used for any decision relating to the continuance of this policy or the meeting of any claim Insured may submit. Insured consent to such information being disclosed to any other insurance company or its agents.

The Insured must send the Insurer written notification of cancellation of authority if the Insured no longer wish the Insurer to use the information in the manner stated above.

REINSTATEMENT OF SUM INSURED

After a valid claim the Insurer will automatically reinstate the sum insured, subject to the Insured paying the additional premium due.

SUM INSURED IN SCHEDULE LEFT BLANK

If, in the schedule of this policy, the sums insured or limits of indemnity are left blank, reflected as nil, not applicable, or not covered, then this means that the section, item, Extended Cover following damage, Extended Cover or Optional Extended Cover is not covered.

GENERAL CLAIMS PROCEDURE

The Insurer's liability to pay a claim under this policy is subject to compliance with the following procedures, failing which the Insurer will not be liable to make any payment:

INSURED'S DUTY

On the happening of an event or occurrence which may result in a claim, the Insured must, at the Insured's own expense:

- a) take all reasonable steps to minimise and to prevent any further loss, damage or liability from occurring;
- b) immediately notify the police following loss or damage by theft, attempted theft, malicious damage, violent disorder, riots or civil commotion and obtain a case reference number;
- c) report the Insured's claim to the Insurer as soon as reasonably possible, but not later than 30 days after the event or occurrence. If Insured fail to do so, the Insurer may at our discretion reject the Insured's claim;
- d) complete any forms as requested by the Insurer and provide full and accurate details of how the event occurred;
- e) advise the Insurer immediately of receipt of any indication or demand by a third party to make a claim against Insured;
- f) advise the Insurer immediately in writing when Insured become aware of any incident or occurrence which may result in a claim being made against Insured
- g) immediately send any writ or summons relating to the incident to the Insurer. Insured must also:
 - i) keep the property that has been damaged so that the Insurer can inspect it;
 - ii) allow the Insurer access to Insured's property for inspections conducted by ourselves or our service providers;
 - iii) at the Insured's own expense, provide the Insurer with all records, invoices, and other documents, information, explanations, and other evidence, together with statutory declarations, as the Insurer may require, for the purpose of investigating or verifying a claim under this policy.

The Insured must not:

- a) make any admission of guilt or fault;
- b) offer or negotiate to pay a claim;
- c) admit liability;
- d) authorise repairs to, or arrange replacement of, any of the insured property without our consent, except for emergency repairs to prevent further damage or where the safety of people is at risk;
- e) dispose of any damaged items without our consent.

EXCESS

The Insurer will reduce the amount the Insurer pay Insured for any valid claim by the amount of the excess as shown in the schedule.

THE INSURER'S RIGHTS AFTER A CLAIM

- a) The Insurer reserve the right to take over and conduct in the Insured's name the settlement of any claim, legal proceeding, or appeal.
- b) The Insurer will take full control of the administration, conduct or settlement of the claim, including any recovery or defence that the Insurer may consider necessary.
- c) The Insurer are entitled to any salvage value on recovered items and damaged items that have been replaced.

- d) the Insurer have the right to:
 - i. chooses the supplier or repairer to be used;
 - ii. take possession of any damaged item or insured property. Insured will not be entitled to abandon any property to the Insurer whether taken possession of by the Insurer or not.
- e) In respect of any section of this policy under which cover is provided for liability to third parties, the Insurer may pay the limit of indemnity as shown in the schedule, less any sums already paid or incurred, or any lesser amount for which any claims arising from the event can be settled. The Insurer will then relinquish control of such claims and be under no further liability, except for costs and expenses for which the Insurer may be responsible before the date of such payment.
- f) Insured shall, at our expense, do, and perm it to be done, everything that may be necessary or that the Insurer reasonably require in order to enforce any rights to which the Insurer will be, or would become, subrogated upon Insured's indemnification, whether the Insurer require such things before or after such indemnification.

NO CLAIMS PAYMENT

No claim will be payable:

- a) after the expiry of 24 months, or such further time as the Insurer may allow in writing, from when the event happened, unless the claim is the subject of pending legal action or is in respect of Insured's legal liability to a third party.
- b) unless the Insured claims payment by serving legal process in writing on the Insurer within six months of the rejection of a claim and Insured pursue such proceedings to finality.

REFUSAL OF RECOMMENDATIONS / OFFER TO SETTLE

The Insured must advise the Insurer of any offer to settle a proceeding. The Insurer may stop paying the Insured legal costs and expenses if the Insured do not agree to a reasonable settlement. If the Insurer's legal advisor recommends settlement and the Insured wish to continue with the proceeding, the Insurer will only pay the legal costs and expenses incurred up to that date and the settlement amount.

If the Insured choose to continue with any legal proceedings that pertain to a claim made against the Insured, against the Insurer's recommendations, the Insurer will not pay more than the amount that the claim and the legal costs could have been settled for up to that date.

RECOVERED PROPERTY

If the Insurer has settled a claim for lost or stolen property and the property is later found or recovered, the Insured must assist the Insurer to identify and recover the property. The Insurer will pay the reasonable costs that the Insured may incur in order to assist the Insurer in identifying and recovering the property.

If the Insured fail to render assistance in term s of this condition when the Insurer ask the Insured to do so, the Insured will immediately have to repay all amounts paid by the Insurer in respect of the claim.

BUILDINGS

SPECIFIC DEFINITIONS THAT ARE APPLICABLE TO THIS SECTION

“Damage” means damage to the whole or part of the property described in the Schedule, owned by the Insured or for which they are legally responsible, including alterations by the Insured as tenants to the building and structures, by:

1. Fire;
2. Lightning and thunderbolt;
3. Subterranean fire;
4. Explosion;
5. Earthquake (whether arising from mining operations or otherwise), volcanic eruption or other convulsion, but excluding loss of or damage to property in the underground workings of any mine;
6. Special perils
 - 6.1 Storm, wind, water, hail, or snow but excluding damage to property:
 - 6.1.1 Arising from it undergoing any process necessarily involving the use or application of water.
 - 6.1.2 Caused by tidal wave originating from earthquake;
 - 6.1.3 In any structure not completely roofed unless specifically insured as a separate item in the Schedule;
 - 6.1.4 Being retaining walls unless specifically insured as a separate item in the Schedule;
 - 6.2 Aircraft and other aerial devices or articles dropped therefrom;
 - 6.3 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;

PROVIDED THAT:

This Defined Event (special perils) does not cover:

1. Wear and tear or gradual deterioration;
2. Damage caused or aggravated by:
 - 2.1 Leakage or discharge from any sprinkler or drencher system in the buildings insured hereby exceeding R10 000 (ten thousand rand) unless otherwise stated in the Schedule;
 - 2.2 Subsidence or landslip;
 - 2.3 The Insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimization of any damage;
 - 2.4 Mildew, damp, rising damp, rust, corrosion, or rot.

“Indemnity value” means the value of the building, taking the age, wear and tear, depreciation, and condition at the time of the damage into consideration.

“Salvage value” means the scrap value of damaged property.

“Total reconstruction cost” means the costs of reconstruction of the building; plus, the following additional expenses:
professional and municipal fees, demolition charges, debris removal; securing the site, compliance with current building or other regulations, Value Added Tax.

“Vacant” means either untenanted, unfurnished, empty or no longer in active use.

WHAT YOU ARE COVERED FOR

The Insurer will pay for the repair or replacement of the insured property resulting from damage which is not excluded in this section or is not excluded under the General Exclusions occurring during the period of insurance.

The Insurer may, at its sole discretion, choose to:

- a) rebuild, replace, restore, or repair the damage; or
- b) settle the Insured's claim in cash; or
- c) any combination of the above.

The Insurer will pay the reasonable and necessary costs incurred for:

- a) professional fees for estimates, plans, specifications, quantities, tenders and supervision incurred in the reinstatement or replacement of the building, limited to 15% of the sum insured of the damaged building. The Insurer will not pay these fees for preparing any claim under this policy;
- b) demolishing the building;
- c) removing rubble and erecting hoardings;
- d) temporary repairs and making the building safe;
- e) inspection fees of local authorities;
- f) the storage of any specified items for the period necessary for the completion of repairs or reconstruction;

The maximum amount that the Insurer will pay is stated in the schedule.

SUBSIDENCE AND LANDSLIP

If damage is caused by subsidence or landslide the Insurer will only pay for damage to buildings and outbuildings constructed of brick, stone, concrete, or metal, roofed with slate, tile, or concrete (referred to as standard construction in the schedule) or any other material specifically stated in the schedule.

Also refer to the Specific Exclusions relating to subsidence and landslide.

SPECIFIC CONDITIONS

1. UNDERINSURANCE (BUILDINGS)

If the total reconstruction cost is more than the sum insured as shown in the schedule, the Insurer will not pay the full amount of the Insured's. The Insurer will calculate the difference between the total reconstruction cost and the sum insured and apply this proportionately to the Insured's claim. If there is more than one item insured in the schedule, this condition will apply to each item separately.

2. UNDERINSURANCE (SPECIFIED ITEMS)

If the new replacement value of the specified item is more than the sum insured as shown in the schedule, the Insurer will not pay the full amount of Insured's claim.

The Insurer will calculate the difference between the new replacement value and the sum insured and apply this proportionately to Insured's claim.

If there is more than one item insured in the schedule, this condition will apply to each item separately.

EXTENDED COVER FOLLOWING DAMAGE

The following Extended cover is included and free of any excess, following a valid claim for damage to the insured property. Where the extended cover refers to an amount or percentage that the Insurer will pay, this will be indicated in the schedule.

SPECIFIC CONDITIONS

- a) The benefit under this Extended Cover shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except where otherwise agreed to in writing with the Insurer.
- b) When damage occurs that results in a claim under this Extended Cover, the Insured shall do and agree to do, and permit it to be done, all things which may be reasonably practicable to minimise, a void or diminish the loss. The Insurer shall not pay for any claim under this Extended Cover unless the Insured comply with the terms of this specific condition.
- c) Following notice of termination of a tenancy or lease agreement where a claim under this policy has been accepted, the Insured must take all reasonable steps to re-let the building or section of the building.
- d) If Insured do not in any way comply with any of the stipulated Specific Conditions the benefit under this Extended Cover will cease immediately and the Insured must repay all amounts already paid by the Insurer from the date of final completion of the repairs or reconstruction, or from when reasonable access was possible.

UNDERINSURANCE

If underinsurance applies to the claim for damage to the building, the amounts payable under this Extended Cover will be reduced by the same proportion.

CAPITAL ADDITIONS

The Insurer will increase the sum insured by a maximum of 20%, for additions, alterations and improvements to the insured property during the period of insurance.

The Insured undertake to advise the Insurer each quarter of such alterations, additions and improvements, and to pay the appropriate additional premium on such capital additions.

FIRE EXTINGUISHING COSTS

The Insurer will pay the reasonable costs and expenses incurred by the Insured for:

- a) extinguishing a fire, including fire brigade charges;
- b) extinguishing a fire that threatens to cause damage to the insured property;
- c) replacement of used sprinkler heads, the resetting of fire and smoke alarms and refilling of the fire extinguishing appliances used to extinguish the fire.

GENERATOR HIRE

In the event of damage to any electrical reticulation installed on the insured property, and if it becomes necessary to hire a generator (power connecting cables and reticulation) in order to continue to provide electrical power to the insured property as it existed prior to the damage, then the Insurer will pay for the reasonable hire costs, but only for the period necessary to repair or replace the electrical reticulation.

The maximum amount that the Insurer will pay is the sum insured as shown in the schedule.

ESCALATION OF SUM INSURED

The sum insured of the building will be increased as follows:

- a) from the inception or renewal date of this policy, in proportion to the period the insurance has been in force, by the percentage that is specified against "Current insurance period" in the schedule.

- b) on the occurrence of any damage, the sum insured, as at the time of the loss, will be increased by the percentage that is specified against "Further reinstatement period" in the schedule.

GARDENS

The Insurer will pay the reasonable cost for the repair of landscaped gardens following damage by fire, firefighting operations, explosion, and impact by vehicles, aircraft or other aerial devices or articles dropped from them.

If it is necessary to damage landscaped gardens during the repair or reinstatement of the insured property, the Insurer will pay the reasonable cost to repair that damage as well.

The maximum amount payable is the sum insured as shown in the schedule.

LOSS OF RENTAL INCOME

The Insurer will pay, subject to the amount payable limitation, if:

- a) Insured's building is damaged to the extent that it is not habitable or cannot be used for its intended purpose; or
- b) access to Insured's building is prevented due to damage to other property within a 15km radius of the Insured's building.

The loss of rental income cover will only be valid until the Insured's building is tenanted again or until reasonable access to Insured's building has been restored.

The Insurer will pay the actual amount of rental lost, if:

- a) Insured's building is leased to a tenant in terms of a signed rental agreement; or
- b) in the absence of a signed rental agreement, the Insured can provide proof of rental income.

The maximum amount that the Insurer will pay under this section is limited to the percentage of the sum insured applicable to the building, as shown in the schedule.

The amounts payable will be reduced by any amount payable by any other insurance policy covering the same event.

This additional cover will not apply if the Insured do not intend to repair or rebuild the damaged insured property, if there is rent outstanding, or if the Insured's tenants have absconded without paying rent.

REMOVAL OF TREES

The Insurer will pay the reasonable cost to remove and dispose of trees and branches that have fallen onto and cause damage to the insured property.

The Insurer will not pay for the removal or disposal of tree stumps or roots.

The maximum amount that the Insurer will pay is the sum insured as shown in the schedule.

SECURITY GUARDS

The Insurer will pay the reasonable costs of employing temporary security guards to secure the insured property, if:

- a) the costs are necessary to prevent further damage;
- b) the security of the insured property is compromised due to the damage.

The maximum amount the Insurer will pay the sum insured as shown in the schedule.

UNDAMAGED COUNTER TOPS

If it is necessary to remove an undamaged counter-top to do repairs following damage and the countertop is damaged in the process, the Insurer will pay the reasonable cost for replacement.

WATER

The Insurer will pay the reasonable costs incurred for the removal of water and for dehumidifying the building following damage caused by water.

The maximum amount the Insurer will pay is the sum insured as shown in the schedule.

EXTENDED COVER

COVER BEFORE TRANSFER OF PROPERTY

If the Insured have signed a valid and legal agreement to purchase a new building and the Insured has advised the Insured about the purchase, and the Insured has paid the premium that is due, the Insurer will cover the new building between the time of signing the purchase agreement and the transfer of the property into the Insured's name.

This cover will not apply if the building is insured by the seller or on the seller's behalf.

INTERCOM SYSTEMS

The Insurer will pay for charges levied to unauthorised telephone numbers following theft of a sim card from any intercom system.

The maximum amount that the Insurer will pay is the sum insured as shown in the schedule.

INSTALLED BUILDING MATERIAL

The Insurer will pay for damage to uninstalled building materials on the site intended to be the used for repair, alteration, renovation, or additions to the building.

The Insurer will not pay for:

- a) soil, sand, gravel or similar materials;
- b) damage to materials in the open (other than materials designed to exist or operate in the open);
- c) theft, unless the materials are in a locked and fully enclosed building at the site;
- d) materials insured under a Contractors All Risks, or similar policy, or where a contractor is required to take out insurance cover.

The maximum the Insurer will pay is the sum insured as shown in the schedule, less the excess.

LOSS OF WATER

The Insurer will pay the additional charges for loss of water caused by leaking, broken or burst water pipes if the water the usage reading exceeds the average of the last four quarterly readings by more than fifty percent.

The Insurer will pay the actual cost of these additional metered water charges up to the sum insured as shown in the schedule.

The Insurer will not pay for loss of water:

- a) caused by leaking taps, geysers, toilet systems, storage tanks or swimming pools;
- b) caused by leaking inlet or outlet pipes of a swimming, or other pools, ponds, or for the cost of refilling or topping up thereof;
- c) if the insured property is left vacant for more than 30 consecutive days;
- d) as a result of a deliberate act by Insured or any person acting on the Insured's behalf;

- e) if the Insured fail to take immediate steps to minimise the loss as soon as Insured become aware of it.

REPLACEMENT OF KEYS, LOCKS AND REMOTE-CONTROL ACCESS DEVICES

The Insurer will pay the reasonable cost of replacement of locks, keys and remote-control access devices of the building that are stolen by forcible and violent means.

TITLE DEEDS

The Insurer will pay the reasonable cost of preparing new title deeds to Insured's land or building if the title deeds are damaged.

The maximum amount that the Insurer will pay is the sum insured as shown in the schedule.

TRAUMA, MEDICAL BEREAVEMENT COSTS

If Insured employ a watchman, caretaker, building supervisor or gardener, permanently or otherwise, for the purposes of safeguarding or maintaining the insured property, and such a person is the victim of an unlawful physical assault while in the course and scope of his/ her employment, then the Insurer will pay:

- a) all reasonable medical costs and expenses,
- b) reasonable psychological counselling necessitated by such unlawful physical assault;
- c) reasonable funeral expenses following the death of the employee directly caused by the unlawful physical assault and occurring within three months of such unlawful assault.

The maximum amount that the Insurer will pay is the sum insured as shown in the schedule.

SUPPLY AND MAINS CONNECTIONS

The Insurer will pay the reasonable costs of repairing or replacing damaged water, sewerage, electricity or telephone connections, if the Insured are responsible for these connections, between the insured property and the public supply.

TEMPORARY REMOVAL

The Insurer will pay if the insured property is damaged while it is temporarily removed to any other premises within the Republic of South Africa.

The maximum amount that the Insurer will pay is the amount the Insurer would have paid had the damage occurred at the property.

OPTIONAL EXTENDED COVER

GLASS

Any accidental damage to glass, forming part of a building in commercial or industrial use, is limited to the sum insured as shown in the schedule.

POWER SURGE

Any damage caused by electrical power surge is limited to R100 000 any one event.

The Insurer will not pay for:

- a) damage covered by any guarantee, service contract, purchase contract or any purchase agreement;
- b) any item used by the occupant of the building as a tool of trade.

ENVIRONMENTAL UPGRADES

If a claim for damage to the building has been accepted by the Insurer and Insured elect to repair or replace it with more environmentally friendly technology, products or materials that will improve energy and water efficiency, the Insurer will pay the amount the Insurer would have paid to repair or replace the damaged building using materials similar to the original, plus an additional amount up to the percentage shown in the schedule.

The Insurer will not pay for the extra cost incurred:

- a) in complying with any condition required by the national or local authority of which they had notified the Insured, or with which the Insured had been required to comply with;
- b) in respect of any damage excluded by this section;
- c) connected with any undamaged parts of the building.

If underinsurance applies to a claim for damage to the building, the amount payable will be reduced by the same proportion.

The maximum the Insurer will pay is the sum insured of the affected building as shown in the schedule, plus the additional amount.

BUILDING RENOVATIONS, ALTERATIONS, ADDITIONS AND EXTENSIONS

If the building is undergoing any addition, extension, alteration or renovation, the Insurer will not pay for:

- a) cracking, collapse, subsidence or damage to the building, arising directly or indirectly from the construction work;
- b) damage caused by contractors or their vehicles;
- c) damage caused by, or by the presence or actions of, workmen onsite;
- d) damage caused by water entering the building through openings in the walls or roof, or other unfinished parts of the building;
- e) damage caused by storm, wind, water, hail or snow, unless the building is completely roofed, and all external windows and doors are fitted;
- f) theft, malicious damage or vandalism to unfinished parts of the existing building, or new work;
- g) damage to glass and sanitary ware in that section of the building being worked on.

FLOORS

If damage occurs to floor coverings the Insurer will only pay to repair or reinstate the affected floor covering in the room where the actual damage has occurred.

FABRIC AND TEXTILE AWNINGS

Where damage is caused by wind, storm, hail or snow, the Insurer will only contribute 50% towards the replacement cost of damaged textile and fabric awnings and coverings, forming part of the insured property, if such items are not more than 5 years old.

VACANT BUILDINGS

If the building becomes vacant during the period of insurance, the Insured shall become a co-insurer with the Insurer in respect of damage that is caused by theft or malicious intent; and Insured shall bear a rateable portion of any damage equal to 20% of the claim, before the deduction of any excess. If a part of the building becomes vacant then that part of the building will be regarded as a separate building for the purpose of this limitation.

If the building (or part of the building) remains vacant for more than 30 consecutive days, there is no cover for damage caused by theft or malicious intent in respect of the vacant building or vacant part of the building.

THEFT WITHOUT FORCIBLE ENTRY

Any damage caused by theft where there is no forcible or violent entry into or exit from a building, will be limited to the sum insured as shown in the schedule.

SPECIFIC EXCLUSIONS – WHAT YOU ARE NOT COVERED FOR

The Insurer will not pay for any loss or damage directly or indirectly caused by, or arising from, or aggravated by, or resulting from:

- a) cracking or collapse of the insured property (other than shelving or storage platforms) unless caused by damage not otherwise excluded;
- b) inherent vice, latent defect, defective design, defective workmanship, structural defects, defective construction or defective material or lack of maintenance and the cost of maintenance of the insured property, or any other failure to keep the insured property in a good state of repair;
- c) interference with, or removal of, or weakening of support of the building;
- d) normal settlement, shrinkage or expansion, creeping, heaving and vibration;
- e) contraction or expansion of clay and similar soil types due to its moisture or water content;
- f) excavations on or under land, other than excavations in the course of mining operations;
- g) domestic pets, primates, birds, vermin, or insects;
- h) gradual deterioration occurring over a period of time, including decay and wear and tear;
- i) seepage, rust, oxidation, corrosion, deforming, distortion, contamination, pollution, changes in humidity or temperature, concrete or brick cancer, fraying and fading;
- j) mildew, mould, disease, fungus, wet or dry rot, damp, rising damp, a change in the underground water table, erosion or change in colour;
- k) change in texture or finish, staining, denting, chipping, marring, scratching or cracking, not affecting the operation of the item;
- l) any process of cleaning, bleaching, dyeing, testing, experimenting, restoring, manufacturing, servicing, altering, refurbishing, repair, renovation, or construction;
- m) any process involving the application of water;
- n) welding, grinding, cutting, shaping or the application of tools to the insured property not resulting in ignition;
- o) the invasion of vegetation, including but not limited to: trees, grass, shrubs and roots;
- p) the leakage or discharge of chemicals, oils, fluids, gases or fumes (except the sudden and unforeseen escape of oil from oil- fired heating installations forming part of the building or damage caused by the leakage or discharge from fire extinguishing installations/appliances);
- q) theft or malicious intent if the building is vacant, or if during the period of insurance, the building becomes vacant for more than 30 consecutive days. If a part of the building is or becomes vacant then that part of the building will be regarded as a separate building for the purpose of this exclusion;
- r) detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process;
- s) failure of, the deliberate withholding of, or the lack of supply of: water, steam, gas, electricity, fuel or refrigerant;
- t) any dishonest act, fraudulent scheme, trick, device or false pretence practiced on Insured;
- u) theft or neglect by tenants.

The Insurer will not cover damage to:

- a) retaining walls caused by storm, wind, water, hail or snow, unless the Insurer specifically agree to include it and the Insurer have received proof before the happening of an event, that the wall was designed and constructed in accordance with a professional Structural Engineer's design specifications;
- b) buildings or sections of buildings undergoing demolition.

The Insurer will not pay for:

- a) the lifting or cracking of tiles and floor coverings, caused by changes in temperature or the incorrect application of tile cement; inadequate tile cement; incorrect expansion gaps or poor building practices;
- b) consequential loss or damage of any kind whatsoever, except to the extent specifically provided for under Loss of Rent and Loss of Water;
- c) the cost of repairing leaking pipes, taps, waste pipes, sewers, shower bases, basins, baths, ornamental ponds, jacuzzies, hot tubs, spa baths and swimming pools; nor will we pay for the cost of repairing the damage caused by accessing the leaks, unless caused by damage not otherwise excluded;
- d) the unblocking of waste and sewer pipes;
- e) accidental damage to glass for which a tenant is responsible in terms of a lease agreement;
- f) the defacement or damage to glass other than fracture through the entire thickness of the glass or any laminate thereof;
- g) any loss or damage arising from or connected to a cause which existed prior to the commencement of this policy;
- h) chipped, broken or lifted tiles, pavers or surrounds of swimming pools and spas;
- i) the repair of damage covered by any guarantee, service contract, purchase contract or any purchase agreement;
- j) damage, as defined and provided for under the Machinery Breakdown section, to machinery and pressure equipment;
- k) damage, as defined and provided for under the Geyser Maintenance section, to geysers.

SUBSIDENCE AND LANDSLIP

If damage is caused by subsidence or landslide:

The Insurer will not pay for damage to:

- a) utilities, structures or items such as drains, boreholes, watercourses, boundary walls, garden walls, screen walls, retaining walls, gate posts, gates, fences, roads, parking areas, driveways or paths, paving, pavements, runways, reservoirs, septic or conservancy tanks, canals, pipelines, bridges, docks, piers, tunnels, swimming pools and surrounds, terraces, patios or tennis courts;
- b) solid floor slabs or any other part of the building due to the movement of such slabs, unless the foundations supporting the external walls of the building are damaged by the same cause at the same time;
- c) a building constructed or situated on dolomite and limestone land / sites.

The Insurer will not pay for damage caused by, attributed to, or resulting from:

- a) leaking taps, leaking pipes or leaking swimming pools;
- b) insufficient compacting of filling, the settlement or movement of made up ground;
- c) coastal or river erosion;
- d) acid mine drainage or acid mine spillage;
- e) workmen engaged in making any structural alterations to any building.

The Insurer will not pay for:

- a) work necessary to prevent further destruction or damage due to subsidence or landslide, nor will the Insurer pay for the cost of underpinning the foundations.

In any action, suit or other proceeding where the Insurer alleges that, because of the provisions of the Subsidence and Landslip exclusion, any damage is not covered by this policy, the Insured will have to prove the contrary.

SETTLEMENT OF CLAIMS UNDER THIS SECTION

ADDITIONAL COSTS OF REPAIRING OR REBUILDING

If a claim for damage has been accepted by the Insurer, the Insurer will include such additional costs of repairing or rebuilding the damage, incurred because of the necessity to comply with current building or other regulations or any legal requirements.

The Insurer will not pay for the extra cost incurred:

- a) in respect of any damage excluded by this section;
- b) if the building was required to comply with these regulations before the damage occurred and did not do so;
- c) for which there is an existing requirement which has to be implemented within a given period;
- d) in respect of or connected with any undamaged parts of the building.

The maximum amount that the Insurer will pay is the sum insured of the affected building indicated in the schedule for such building.

THE BUILDING

The Insurer will pay the reasonable cost of rebuilding or repairing the damage to the building in order to place it in the same condition. Where the Insurer pays to rebuild, the Insured may do so on a different site, provided the amount the Insurer pays is not increased.

Where the building has any architectural features or structural materials possessing an ornamental or historical character, or for which the original materials are not available, the Insurer will rebuild or restore the building to an equivalent appearance.

The Insurer shall not be bound to reinstate exactly or completely but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to pay in respect of any one of the items insured more than the applicable sum insured.

The Insurer will limit the payment to the indemnity value, not exceeding the sum insured of the building, if:

- a) Insured fails to notify the Insurer within six months of the date of the damage, or such further time as the Insurer may allow in writing, of Insured's intention to replace or reinstate the building;
- b) The Insured are unable or unwilling to replace or reinstate the building on the same or another site.

The Insurer will only pay the Insured the salvage value, not exceeding the sum insured, of the damaged building materials in respect of buildings awaiting demolition.

SPECIFIED ITEMS

If there is damage to specified items, the Insurer may choose:

- a) to pay Insured the reasonable cost of replacement or repair;
- b) to replace the item with the nearest equivalent item available;
- c) to restore or repair the item to the condition it was in when new; or
- d) any combination of these up to the sum insured as shown in the schedule.

MORTGAGEE

Where the interests of any person have been noted in the schedule, the Insurer will pay that person first within the specified limits, to the extent of their interest in the insured property; namely the amount which is due to them, or the sum insured as shown in the schedule, whichever is the lesser.

Where the Insured act, or fail to act, in a way that may make this policy invalid, the interest of the person so noted in the policy will not be affected if the following conditions are met:

- a) the person did not know about the Insured's act or failure to act;
- b) the person informs the Insurer about the act or failure to act as soon as they become aware of it; and
- c) the person pays the additional premium due.

TENANTS

This policy will not be invalidated by any act or neglect on the part of a tenant, provided that:

- a) The Insured did not know and could not reasonably have been expected to know that the tenant, acted or omitted to act, in a way that may invalidate this policy;
- b) The Insured tell the Insurer as soon as the Insured become aware of such actions or omissions;
- c) The Insured pay the appropriate additional premium.

SETS, PAIRS AND COMBINATIONS

The Insurer will not pay for any additional or special value that an item has because it is part of a set, pair or combination of items. The Insurer will only pay for the proportionate value of the part of the set, pair or combination of items that is lost or damaged.

LIABILITY

SPECIFIC DEFINITIONS THAT ARE APPLICABLE TO THIS SECTION

“Costs” means damages and the claimant's costs and expenses Insured are legally liable to pay.

“Defence costs” means fees, costs, charges, and expenses incurred by the Insurer, or by Insured, with our prior written consent, in the investigation, defence, monitoring and settlement of any claim.

“Occurrence” means an event or series of events that result in personal injury or property damage, or both. If an event gives rise to more than one claim, then all such claims will be deemed to have arisen from the same occurrence.

“Personal injury” means the accidental death, bodily injury, illness of any person, or wrongful eviction, wrongful entry or other invasion of privacy.

“Property damage” means accidental physical loss of, or accidental physical damage to or destruction of, tangible property.

“Retroactive date” means the date 24 months immediately prior to either the inception date of this policy.

“Third party vehicles” means vehicles and their contents and accessories, the property of tenants, customers, visitors or the Insured's employees, using the parking facilities provided by Insured.

“Vehicle” means any self- propelled land vehicle and any trailer, semi- trailer or caravan whilst attached thereto (including any machinery or apparatus attached thereto). It does not include wheelchairs, garden appliances or maintenance equipment that does not require registration by any legislation or competent authority.

“Watercraft” means any vessel or craft designed for use on or in water.

WHAT YOU ARE COVERED FOR

The Insurer will pay the defence costs incurred and costs following an occurrence. The occurrence that results in a claim must occur during the period of insurance in, on or about the insured property and must arise from Insured's ownership thereof.

The most the Insurer will pay for any occurrence is the limit of indemnity shown in the schedule at the time of the occurrence. If the occurrence takes place over more than one period of insurance, or gives rise to more than one claim, the Insurer will only pay the amount shown in the schedule once in respect of each occurrence (regardless of the number of claims that arise from the occurrence).

EXTENDED COVER

EMERGENCY MEDICAL EXPENSES

The Insurer will pay for all reasonable expenses Insured incur for such immediate medical treatment that may be necessary at the time of an occurrence that causes injury to any person who may be the subject of a claim covered in terms of this section.

CAR PARKS

The Insurer will pay the defence costs incurred and costs for an occurrence that results in loss of or damage to third party vehicles while parked in Insured's car park.

LEGAL DEFENCE COSTS

At Insured's request, the Insurer will pay the defence costs that do not exceed R75,000 for any one event and that are limited to R 150,000 in any one (annual) period of insurance of any partner, director or employee of Insured, incurred by and on behalf of such a person, in the defence of any criminal action brought against such a person during the period of insurance, in the course of his service with Insured, and if this arises from an alleged contravention of the Statutes as listed below, provided that:

- a) in the event of an appeal, the Insurer will not indemnify such person unless a senior counsel approved by the Insurer advises that the appeal should, in his opinion, succeed;
- b) the Insurer will not indemnify such person in respect of any fine or penalty imposed by any magistrate, judge or other authority, or any other loss as a result of this;
- c) such person must, as though he were Insured, comply with the terms and conditions of this policy.

The Statutes

- a) The Occupational Health and Safety Act (No. 85 of 1993), as amended or substituted from time to time.
- b) The Compensation for Occupational Injuries and Diseases Act (No. 130 of 1993), as amended or substituted from time to time.
- c) The Electricity Act (No. 41 of 1987), as amended or substituted from time to time or any other Act or Ordinance pertaining to the supply of electricity.

PRIOR ACTS

If, immediately preceding the inception date of this policy, the Insured had a policy providing for the payment of claims brought against the Insured during the period of insurance of that prior policy, the cover provided under this section, is extended to include defence costs incurred and costs in connection with an occurrence which happened in, on or about the insured property and arising from Insured ownership thereof, on or after the retroactive date and which results in a claim first being made against Insured in writing during the period of insurance.

In relation to the Prior Acts Coverage, the following is added to the Specific Exclusions of this section:

The Insurer will not pay claims arising from, or in respect of any occurrence:

- a) where, during the 36 months period after the retroactive date, there was in existence a policy providing for the payment of claims arising out of events that occurred during the policy period or where there was no policy at all;
- b) that may result in a claim of which Insured were aware, or could reasonably have been expected to be aware of, prior to the inception date of this policy;
- c) that had been reported to any other insurer and for which cover is provided for by the other insurer;
- d) that is covered under an extended reporting period provision of any prior Liability policy;
- e) that was not covered under an otherwise valid prior policy, or where the limits of indemnity were insufficient or exhausted, or where the amount of the claim was within that first part of the claim for which Insured were responsible.

All other terms and conditions of this section remain unchanged, and the limit of indemnity is not increased or reinstated by this Extra Cover.

Specific exclusion c) shall not apply to property belonging to any partner, director, or employee or to any visitor to the situation.

PARTNERS, DIRECTORS AND EMPLOYEES

Provided that they observe, fulfil and are subject to the terms, conditions and exclusions of the policy, the Insurer will also cover any of Insured's partners, directors, or employees, but the Insurer will only cover these for liability incurred by them while acting within the course and scope of their duties in such capacity,

and provided that:

- a) Insured request the Insurer to do so;
- b) the Insurer will not be liable for more than the limit of indemnity.

For the purposes of this extended cover, the Insurer waive all rights of subrogation which the Insurer may have, or acquire against, any such persons.

WRONGFUL ARREST

The Insurer will pay the defence costs incurred and costs for the Insured's liability to any person resulting from the wrongful arrest, defamation or frisking of a person, including assault related to the wrongful arrest or frisking, during the period of insurance.

The maximum amount that the Insurer will pay is R 75,000 for any one event and limited to R150,000 in anyone (annual) period of insurance.

SECURITY COMPANIES

If, in terms of a written contract with a security company engaged to protect the insured property, the Insured become legally liable for the acts or omissions of the employees of the security company in the course of protecting the insured property, then the Insurer will pay the defence costs incurred and costs, arising from an occurrence.

If, at the time of an occurrence, the security firm is insured for the same event, the Insurer will not be liable to make any payment, except for any amount above the amount payable by such other policy.

The limit of indemnity for this extra cover will be limited to R 1,000,000 in any one annual period of insurance.

SPECIFIC EXCLUSIONS – WHAT YOU ARE NOT COVERED FOR

The Insurer will not pay claims arising from, or in respect of:

- a) property damage to property that belongs to the Insured, for which the Insured is responsible, or which is in the Insured's custody or control or in the custody or control of Insured's employees;
- b) personal injury to, or damage to property belonging to, any member of the same household or member of the Insured's family;
- c) personal injury to any employee, partner or director of the Insured where such injury arises from and in the course of such employment, partnership or directorship;
- d) property damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure;
- e) any ownership, possession, maintenance, repair, operation or the use by the Insured or on the Insured behalf of any facilities at the situation that are the used for commercial purposes;
- f) liability assumed by any agreement or contract Insured entered into. If the Insured would have been liable if there was no agreement or contract, the Insurer will pay the defence costs and costs;

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- g) any business, profession, trade, activity for reward or occupation carried on by the Insured, other than the managing of the building and its surrounds;
 - h) anything that Insured, or anyone acting for Insured, deliberately caused;
 - i) Insured's use, operation, maintenance, ownership, hire, leasing or possession of any aircraft, airline, airport, airstrip or helicopter pad or the refuelling of aircraft;
 - j) the demolition, construction, renovation or addition to the building;
 - k) penalties, fines or awards of aggravated, exemplary, vindictive or punitive damages made against Insured;
 - l) personal injury or property damage directly or indirectly caused by seepage, pollution or contamination, including the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances. Provided always that this will not apply where the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence happening during the period of insurance;
 - m) the Insured's ownership of, or the use by or on the Insured's behalf, of any vehicle, or watercraft;
 - n) any judgment, award or settlement made in the first instance outside the Republic of South Africa, or any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part.

SPECIFIC CONDITIONS

OTHER INSURANCE

If any other insurance provides indemnity at the time of any event giving rise to a claim under this section, the Insurer will not be liable to make any payment except for any amount above the amount payable by such other policy.

INSURER'S RIGHTS

In respect of any one event, the Insurer may pay the limit of indemnity (less any sums already paid or incurred) or any lesser amount for which any claims arising from the event can be settled. The Insurer will then relinquish control of such claims and be under no further obligation, except for defence costs incurred for which the Insurer may be responsible before the date of such payment, provided that the Insurer's liability does not exceed the limit of indemnity.

GEYSERS

THE FOLLOWING SPECIFIC DEFINITIONS ARE APPLICABLE TO THIS SECTION

“Damage” means the physical damage or destruction of the geyser caused by bursting or rupturing; or the non- functioning of the geyser directly or indirectly caused by or attributable to or arising from leaking, overflowing, rust, decay, gradual deterioration, wear and tear, cracking or splitting.

“Geyser” means any system or device (excluding boilers) used solely for the heating of water, including all its components and piping within one meter from the system or device.

The maximum cylinder capacity covered in terms of this section is 300 litres.

Any geyser with a cylinder capacity greater than 300 litres must be specified in the Machinery breakdown section.

“Solar collectors” means the tubes or flat panels that absorb solar radiation for the heating of water.

WHAT YOU ARE COVERED FOR

The Insurer will pay for the reasonable cost of repair or replacement of the geyser resulting from damage which is not excluded in this section or excluded under the General Exclusions occurring during the period of insurance.

If a claim for damage to the geyser has been accepted by the Insurer and the Insured's damaged geyser is an electrical geyser and Insured choose to replace it with a more environmentally friendly product such as a solar geyser, heat pump or induction heating geyser or other technology that will improve energy and water efficiency, the Insurer will pay the amount the Insurer would have paid to replace the damaged geyser plus an additional amount up to the percentage shown in the schedule.

The maximum amount the Insurer will pay is the sum insured for the geyser as shown in the schedule, plus the additional amount.

SPECIFIC EXCLUSIONS – WHAT YOU ARE COVERED

The Insurer will not pay for:

- a) consequential loss of any kind whatsoever;
- b) damage directly or indirectly caused by, or attributable to, or arising from faulty or defective design, installation or workmanship, the deliberate failure of, the withholding of, or the lack of supply of water, gas, electricity or fuel;
The geyser(s) must be installed in accordance with SANS specification 10254 where applicable and in accordance with the manufacturer's specifications or any other SANS specification applicable. If the Company can demonstrate the geyser was not installed in accordance with specification the Insured shall be liable for the first R1 500 (one thousand five hundred rand) of each claim in addition to any other the first amount payable.
- c) damage to solar geysers or hybrid solar systems and the resultant damage to the building where the roof structure was not capable of bearing the additional weight of the installation;
- d) damage to solar geysers or hybrid solar systems due to the build- up of lime scale;

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- e) damage to solar collectors due to freezing, unless proof can be provided that the system contained an anti-freeze substance before the damage occurred;
 - f) any item forming part of the geyser and attachments that is covered by any guarantee or warranty;
 - g) the cost to attend to:
 - 1) ripple relays;
 - 2) faulty circuit breakers;
 - 3) tripped isolator switch;
 - 4) tripped earth leakage;
 - 5) tripped geyser mains;
 - 6) leaking pipes more than one meter from the geyser;
 - 7) solar geysers not heating up or which are too warm, due to weather conditions;
 - h) damage directly or indirectly caused by the failure to do follow-up maintenance or preventative maintenance as prescribed by the manufacturer, including the replacement of the anti-freeze substance in solar collectors, where required;
 - i) any cost associated with maintenance services required by the manufacturer of the geyser;
 - j) repairs and other costs associated with obtaining an Electrical Compliance Certificate;
 - k) damage to gas water heaters, solar geysers, heat pumps and hybrid solar systems, which are not approved and installed in accordance with the relevant standards of the South African Bureau of Standards.

MACHINERY BREAKDOWN

THE FOLLOWING SPECIFIC DEFINITIONS ARE APPLICABLE TO THIS SECTION

“Breakdown” means the sudden and unforeseen physical destruction of or physical damage to machinery that requires repair or replacement to enable normal working to continue.

“Machinery” means any pressure equipment or other item specified in the schedule.

“Pressure equipment” means those parts of the permanent structure of, including but not limited to, a boiler, pressure vessel, economiser and super heater, and attached pipe systems which are subject to steam, gas or fluid pressure or vacuum, all belonging to Insured excluding geysers with a cylinder capacity less than 300 litres.

WHAT YOU ARE COVERED FOR

The Insurer will cover the machinery while it is:

- a) at work or at rest;
- b) being dismantled for the purpose of cleaning, inspection and overhaul, or removal to another position in the course of these operations themselves, or subsequent reassembly;

against damage which is not excluded in this section or excluded under the General Exclusions caused by breakdown that occurs during the period of insurance.

The maximum amount that the Insurer will pay is the sum insured as shown in the schedule.

SPECIFIC EXCLUSIONS – WHAT YOU ARE NOT COVERED FOR

- a) damage to machinery by any cause otherwise covered in this policy;
- b) damage resulting from experiments, overload or similar tests requiring the imposition of abnormal conditions or from the execution of repairs;
- c) temporary repairs and any consequences arising therefrom unless the Insurer have authorised the temporary repairs;
- d) consequential financial loss, loss of the use, or other indirect loss;
- e) rusting or scratching of painted or polished surfaces;
- f) repair or replacement of any part caused by or resulting from:
 - 1) wear and tear from ordinary use or working, or gradual deterioration;
 - 2) rust, corrosion, cavitation, erosion, oxidation, deposits of scale, sludge or other sediment;
 - 3) any direct consequences of progressive or continuous influences of atmospheric or chemical action, other than accidental contact with acids or other corrosive substances that cause damage which manifests itself within 24 hours of such accidental contact; but breakdown of other parts as a consequence of any of the foregoing is not hereby excluded;
- g) damage to machinery when the building is undergoing any extensions, alterations or renovations, and such damage results directly or indirectly from the building work;
- h) damage that occurs during the currency of a manufacturer's guarantee, unless a claim is first made against the guarantor;
- i) the replacement or repair of any machinery illegally installed or altered;
- j) any costs associated with cleaning or maintenance services.

SETTLEMENT OF CLAIMS UNDER THIS SECTION

In the event of a claim for damage to machinery, the Insurer may at its sole discretion choose to:

- a) pay to repair the damage;
- b) replace what is lost or damaged if this is more cost-effective than repairing it; or
- c) settle the Insured's claim in cash.

TOTAL LOSS

The basis of settlement will be the new replacement value immediately before the damage occurred, plus the costs of removing the damaged machinery.

An insured item will be regarded as totally destroyed if the cost of repairs equals or exceeds the new replacement value immediately before the damage, less a reasonable amount for the use.

The Insurer will not pay for the costs of any alterations, improvements, maintenance, or overhauls carried out during the repair or replacement.

PARTIAL LOSS

The basis of settlement will be the cost of restoring the machinery to working order, including the cost of transport, labour and the onsite cost of parts, assembly, and custom dues, less the value of any re-usable parts.

In the case of repairable damage, the Insurer will pay the cost of repairs to restore the damaged item to its condition immediately before the damage.

The Insurer will also pay the cost of liquids, refrigerant gas or insulating oil, in order to complete the repairs.

The Insurer will not pay more than the estimated cost of similar parts for similar plant currently available, if replacement parts are unavailable or obsolete. If similar parts are unobtainable, the Insurer will not pay more than the manufacturer or suppliers' latest list price.

SPECIFIC CONDITIONS

1. The Insured must take all reasonable precautions to ensure that the machinery is maintained in good working order and neither habitually nor intentionally overloaded and that Government and other regulations relating to the operation of the machinery are observed. All maintenance must be carried out in accordance with the manufacturer's specifications and requirements.
2. The sum insured for each item of machinery specified in the schedule must be equal to the installed new replacement value at all times. If at the time of the damage the sum insured is lower than the installed new replacement value, then Insured will be considered to be the Insured's own insurer for the difference and Insured will bear a rateable share of the loss accordingly. Every item of machinery will be separately subject to this condition.



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