Lombard Commercial Insurance Policy

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GENERAL EXCEPTIONS CONDITIONS AND PROVISIONS

Subject to the terms, exceptions and conditions (precedent or otherwise) and in consideration of, and conditional upon, the prior payment of the premium by or on behalf of the insured and receipt thereof by or on behalf of the company, the company specified in the schedule agrees to indemnify or compensate the insured by payment or, at the option of the company, by replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance and as otherwise provided under the sections within up to the sums insured, limits of indemnity, compensation and other amounts specified.

Where more than one insurance company or insurer participates in this insurance, the reference to "company" shall be amended to "insurers" wherever it appears in this policy. In this event the percentage share of each insurer will be as expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name.

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

General exceptions

1. War, riot and terrorism

A. This policy does not cover loss of or damage to property 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 aforegoing;

(ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;

(iii) (a) 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;

(b) insurrection, rebellion or revolution;

(iv) any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;

(v) 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;

(vi) any attempt to perform any act referred to in clause (iv) or (v) above;

(vii) 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.

If the company 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 shall rest on the insured.

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B. This policy does not cover loss or damage caused directly or indirectly by or through or inconsequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of l976) 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 of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General exception 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 organisation or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

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

2. Asbestos (applicable to the Broadform Liability, Top Up Liability, Employers Liability, sub-section D of the Buildings Combined section, extension 2 of the Houseowners and extension 2 (a) and (b) of the Householders 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, cost or expense whatsoever or any consequential loss directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

3. Nuclear

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) ionising 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 whatever form;

regardless of any other cause or event contributing concurrently or in any other sequence to the liability, destruction, cost, expense, death, bodily injury or loss.

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

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4. Computer losses

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 recognise, 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 programme errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programmes, 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 unauthorised code or instruction including any trojan horse, time or logic bomb or worm or any other destructive or disruptive code, media or programme or interference.

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

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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, Employer's Liability, Stated Benefits, Group 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
   (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;
   (d) in the open (other than building structures and plant designed to exist or operate in the open);
   (e) in any structure not completely roofed;
   (f) being a retaining wall;

   Unless so described and specifically insured as a separate item.
2. aircraft and other aerial devices or articles dropped therefrom;
3. impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, 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.

5. Detention, confiscation and forfeiture

This policy does not cover any loss, damage, cost or expense directly or indirectly arising from detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, SA Police Services, crime prevention units or other officials or authorities.

6. Sanctions Limitation & 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 of Great Britain and Northern Island or United States of America.

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7. Pollution and Contamination Exclusion

This policy shall not cover any loss or damage due to contamination, pollution, soot, deposition, impairment with dust, chemical precipitation, adulteration, poisoning, impurity, epidemic and disease or due to any limitation or prevention of the use of objects because of hazards to health.

This exclusion does not apply if such loss or damage arises as a direct consequence of

(a) the perils:

- Fire, lightning, explosion, impact of aircraft
- Vehicle impact, sonic boom
- Accidental escape of water from any tank apparatus or pipe
- Riot, civil commotion, malicious damage
- Storm, hail
- Flood, inundation
- Earthquake
- Landslide, subsidence
- Snow pressure, avalanche
- Volcanic eruption

(b) physical damage of the type insured by this policy which occurred on the insured premises.

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 the insured against the defined events, the company shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of average, this policy, if not already subject to any condition of average, shall be subject to average in like manner.

3A. Cancellation

This policy or any section may be cancelled at any time by the company giving 31 days' notice in writing (or such other period as may be mutually agreed) or by the insured giving immediate notice. On cancellation by the company or the insured, the insured shall be entitled to claim a pro rata proportion of the premium for the remainder of the period of insurance from the date of cancellation, subject to no claim have been registered under the policy or section concerned and subject to general condition 4.

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3B. Premium obligations

The premium is due in advance. The due date will be the first day of every calendar month where premium is payable monthly and the first day of ;

(a) each first

(b) each third

(c) each sixth or

(d) each twelfth calendar month following inception where premium is payable quarterly, half yearly or annually.

If a premium is not received within 15 (fifteen) days of the due date cover will be cancelled from midnight on the last day of the preceding period of insurance.

For monthly policies the 15 (fifteen) days grace period will only apply from the second month of the original inception date of the policy.

4. Adjustment of premium

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

5. Prevention of loss

The insured shall take all reasonable steps and precautions to prevent accidents or losses including but not limited to compliance and adherence to laws, by laws and regulations which are material to the risk. The insured warrants that all laws, regulations, by-laws and rules that apply to the business or to any other matter for which cover is provided in terms of this policy (irrespective of whether the laws, regulations, by-laws and rules are in force at the date the policy is issued or are enacted after that date) shall be adhered to at all times. The failure to adhere to any applicable law, regulation, by-law or rule shall entitle the insurer to reject any claim where such failure is material to the claim.

6. Claims

(a) On the happening of any event which may result in a claim under this policy the insured shall, at the insureds own expense

(i) give notice thereof to the company as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured

(ii) as soon as practicable after the event inform the police of any claim involving theft or (if required by the company) loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property

(iii) as soon as practicable after the event submit to the company full details in writing of any claim

(iv) give the company such proof, information and sworn declarations as the company may require and forward to the company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim.

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(b) No claim (other than a claim under the business interruption, fidelity, stated benefits or group personal accident section or the personal accident (assault) extension under the money section, if applicable) shall be payable after the expiry of 24 months or such further time as the company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.

(c) No claim shall be payable unless the insured claims payment by serving legal process on the company within 6 months of the rejection of the claim in writing and pursues such proceedings to finality.

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

7. Company's rights after an event

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

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

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

(b) The insured shall, at the expense of the company, do and permit to be done all such things as may be necessary or reasonably required by the company for the purpose of enforcing any rights to which the company shall be, or would become, subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.

(c) In respect of any section of this policy under which an indemnity is provided for liability to third parties, the company may, upon the happening of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the company shall thereafter not be under further liability in respect of such event.

8. Fraud

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

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9. Reinstatement of cover after loss (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 loss, the insured shall pay additional premium on the amount of the loss from the date thereof or from the date of reinstatement or replacement (whichever is the later) to expiry of the period of insurance.

Automatic reinstatement shall be limited to one reinstatement per annual insurance period.

10. Breach of conditions

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

11. No rights to other persons

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

12. Collective insurances

If this insurance is underwritten by more than one insurer then the following amendment is made to general condition 6(a) (iv) above:

"give the leading insurer on behalf of the insurers such proof, information and sworn declaration as the insurers may require and forward to the leading insurer immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim."

and General condition 7 is substituted by the following:

"7. Company's rights after an event

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

  (i) take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and licence of the insured to the lead insurer on behalf of all insurers to do so. The insured shall not be entitled to abandon any property to the insurers whether taken possession of by the leading insurer or not;

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

(b) The insured shall, at the expense of the insurers, do and permit to be done all such things as may be necessary or reasonably required by the insurers for the purpose of enforcing any rights to which the insurers shall be or would become subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.

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(c) In respect of any section of this policy under which an indemnity is provided for liability to third parties, the insurers may, in the case of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the insurers shall thereafter not be under further liability in respect of such event."

13. Consent to disclose

The insured acknowledges that the sharing of insurance information for underwriting and claims purposes (including credit information) between insurers is in the public interest as it enables insurers to underwrite policies and assess risks fairly and to reduce the incidence of fraudulent claims with a view to limiting premium.

On behalf of the insured and on behalf of any person represented by the insured herein, the insured hereby waives their right to privacy with regard to underwriting or claims information (including credit information) that the insured provides or that is provided by another person on the insured's behalf in respect of any insurance policy or claim made or lodged by the insured.

The insured acknowledges that the insurance information provided by them may be stored in the shared database and used as set out above.

The insured consents to such information being disclosed to any other insurance company or its agent.

The insured acknowledges that the information may be verified against legally recognised sources or databases.

14. Insurable Interest

The insured or any other person to whom cover under this policy extends shall have an insurable interest both at inception of this policy and at the time a loss occurs.

General provisions

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

A. Claims preparation costs

The insurance provided by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company in terms of general condition 6 or to substantiate the amount of any claim, provided that the liability of the company for such costs in respect of any one claim shall not exceed, in respect of a particular section, R1 000 or 10% of the sum insured or limit of indemnity on the item affected, whichever is the lesser amount, plus any amount stated in the schedule to each section against an item for additional claim preparation costs.

B. Payments on account

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

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C. First amount payable

Except where provided for specifically in any section, the amount payable under this policy/section for each and every loss, damage or liability shall be reduced by the first amount payable shown in the schedule for the applicable defined event.

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

F. Meaning of words

The schedules and any endorsements thereto and the policy wording shall be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning wherever it may appear.

G. Premium payment

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

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

H. Holding covered

If the company is holding covered on a risk, they will not reject a claim on the basis that the premium has not been agreed and/or paid at the time of the loss provided that any premium due from the date of initially holding covered is paid before the claim is settled.

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

The company shall not raise as a defence to any valid claim submitted under any section or sub-section of this policy that the company's rights have been prejudiced by the terms of any contract entered into between the insured and any security provider relating to the protection of the insured property.

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K. Value Added Tax (VAT)

All monetary amounts stated in the policy such as sums insured, limits of indemnity, first amounts payable and premiums are deemed to be Value Added Tax (VAT) inclusive amounts.

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.

L. Period of Insurance

If the period of insurance (Other than a first period of insurance) is for a period less than 12 months then the following amendments are made to the policy :

Section	Reference	Amendment
General	Adjustment of premium	The words “each period of insurance” are amended to read “each period of twelve consecutive months from the inception date or anniversary date”
Fire	Specific Condition 1(b) in Stock Declarations	
Business Interruption	Deposit Premium Clause	
Accounts Receivable	Adjustment Clause	
Motor	Premium Adjustment Clause	
Fire, Buildings Combined and Office Contents	Capital additions clause	If the period of insurance is more than quarterly then the words “each quarter” are amended to read “each amount”
Fidelity Guarantee	Defined Event	In addition to the defined events the following is added : The amount payable during any one period of 12 (twelve) consecutive months from inception or anniversary date will not exceed the sum insured stated in the schedule at the said inception or anniversary date as the case may be (or double the sum insured if your “reduction/reinstatement amount clause” applies). If the sum insured is increased the 12 (twelve) consecutive months applies from the anniversary date. Any reinstatement between the date of increase and the anniversary date will not exceed twice the sum insured.

Section	Reference	Amendment
Fidelity Guarantee	Reduction/Reinstatement of insured amount clause	The words "annual premium" are amended to read "12 (twelve) times the monthly premium" for policies with monthly periods of insurance and "4 (four) times the quarterly premium "or" 2 (twice) the bi-annual premium" for policies with quarterly or half yearly periods of insurance respectively.

Warranties applicable to the fire, buildings combined, office contents, householders & houseowners sections of the policy

1. Fire fighting equipment

It is a condition precedent to liability and it is warranted that the insured shall implement and maintain all the requirements in respect of firefighting equipment by:

(a) complying with the relevant municipal by-laws, national building regulations and any national legislation that may be applicable;

(b) ensuring that all equipment is maintained and serviced annually (and keeping a record thereof) by a competent service provider or agent of the manufacturer;

(c) ensuring that all firefighting equipment is visible, unobstructed and is clearly marked with the correct signage.

(d) educating and training staff in the operation of such firefighting equipment on the premises.

2. Storage and handling of flammable liquids and dangerous goods

It is a condition precedent to liability and it is warranted that the storage, transportation and handling of flammable liquids and/or dangerous goods comply with the following requirements and conditions;

(a) the requirement of the Occupational Health and Safety Act: Regulation 4 including any subsequent amendments thereto;

(b) the relevant South African National Standards code of practices, specifications and or standards for the storage, transportation and handling of any flammable liquids and/or dangerous goods;

(c) the regulations or ordinances and any amendments thereto of any provincial government or local authority empowered to do so.

3. Sprinkler Systems

It is a condition precedent to liability and it is warranted that the sprinkler system shall be kept in proper working order. It is further warranted that the insured has entered into an agreement with the Automatic Sprinkler Inspection Bureau (Pty) Ltd whereby the Bureau undertakes to inspect the sprinkler installation twice a year. The insured warrants to maintain this agreement during the currency of this insurance.

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4. Gas Installations

It is a condition precedent to liability that all gas installations at the insured premises must adhere strictly to the SANS 100087 – 1 Code of Practices, specifications and/or standards and any subsequent amendments thereto.

5. Lightning Conductors and Surge Arrestors

It is a condition precedent to liability and it is warranted that all lightning conductors and surge arrestors installed must comply and be installed in accordance with SANS 10313 or SABS requirements. All equipment must be SABS certified and regular tests must be conducted and recorded and made available to the company on request.

6. Bush Clearance Warranty

It is a condition precedent to liability and it is warranted that cover provided by this policy is subject to the clearance and maintenance of all bush, grass, flammables and weeds no less than 15 metres away from any building and or any other structure.

7. Chimney Maintenance

It is a condition precedent to liability and it is warranted that all chimney's must be cleaned and serviced at least twice a year and kept in good working order the services must be recorded and made available to the company on request.

8. Waste Warranty

It is a condition precedent to liability and it is warranted that cover provided by this policy is subject to the daily clean-up of all waste products such as clippings, cuttings, fluff, fly and any other waste of every description from all machinery which must be swept up, bagged and placed in bins and removed from the factory and all buildings communicating therewith at least once a week.

9. Extraction Maintenance Warranty

It is a condition precedent to liability and it is warranted that cover provided by this policy is subject to every commercial kitchen having an extraction system installed in accordance with SANS 1850: 2003 Code of practice. The extraction ducting must be cleaned weekly and furthermore must be professionally cleaned half yearly, a register must be kept and made available to the company on request.

10. Housekeeping

It is a condition precedent to liability and it is warranted that cover provided by this policy is subject to:

(a) all places where dry deposits can accumulate must be cleaned every week.

(b) Inflammable liquids must not be used for cleaning purposes. If brushes or scrapers are used, these must be of a stiff fibre or non-ferrous or non-sparking material and must be cleaned outside the building.

(c) All scrapings and sweeping's must immediately be placed in metal receptacles wetted down and removed from the building.

(d) Any oily and/or dirty waste and greasy cleaning cloths must be deposited in metal receptacles with lids and removed from the building daily.

(e) Smoking is prohibited in any building where processes are carried on and notices to that effect must be prominently displayed.

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11. Spark Arrestors

Any insured thatch roofed structure shall have spark arrestors fitted to each chimney, such arrestor to be made out of metal mesh of sufficient diameter to prevent sparks from escaping through it and installed 750mm from the top of the chimney.

12. Chimney Penetration

Where a chimney penetrates a thatched roof structure, such chimney shall be insulated to prevent the conduction of heat through to the thatch. The insulation should be by the fitment of flashings and membranes around the chimney and the chimney wall shall be a minimum of 200mm thick.

13. Certificate of Electrical Compliance

The entire electrical installation at the premises must comply fully with the appropriate SANS 0142 Code of Practice regulations. In addition, the electrical installation must be certified as required by The Occupational Health and Safety Act and the latest certificate of compliance must be lodged with the company.

14. Fire Blankets

Where a kitchen is involved in the Deep Frying of food, the Insured shall install an approved Fire Blanket at the rate of one Blanket per four fryers. The Fire Blankets/s is/are to be mounted on the wall/s in easily accessible places in the kitchen next to the Deep Fryers and all kitchen staff are to be instructed in the use thereof.

15. Stacking Heights

It is warranted that stacking heights may not exceed 3 metres in height at any given time.

16. Pallet Warranty

It is warranted that all stock is to be raised at least 100mm from the floor and stored on pallets, racks or the like. In the event of non-compliance with this warranty, the Company shall not indemnify the insured in respect of any water damage claims.

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FIRE

Defined events

Damage to the whole or part of the property described in the schedule, owned by the insured or for which they are responsible, including alterations by the insured as tenants to the buildings and structures, by

1. fire
2. lightning or thunderbolt
3. explosion
4. such additional perils as are stated in the schedule to be included.

Including the following additional special perils;

1. storm, wind, water, hail or 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
   (c) in the underground workings of any mine
   (d) in the open (other than buildings, structures and plant)
   (e) in any structure not completely roofed
   (f) being retaining walls

   } Unless so described and specifically insured as a separate item
2. aircraft and other aerial devices or articles dropped therefrom
3. impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.

This extension does not cover

1. wear and tear or gradual deterioration
2. damage caused or aggravated by
   (a) leakage or discharge from any sprinkler or drencher system in the buildings insured hereby or in buildings containing property insured hereby
   (b) subsidence or landslip
   (c) the insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any damage.

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Specific exceptions

1. This section does not cover earthquake (whether arising from mining operations or otherwise) unless added as an additional peril or volcanic eruption.

   Any damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be damage which is not covered by this insurance, except to the extent that the insured shall prove that such damage happened independently of the existence of such abnormal conditions. In any action, suit or other proceedings where the company alleges that, by reason of this exception, any damage is not covered by this insurance, the burden of proving the contrary shall be on the insured.

2. Unless specifically included, this insurance does not cover

   (i) damage to property occasioned by its undergoing any heating or drying process

   (ii) 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 effected.

3. This section does not cover any motorised vehicle of whatever description, except where the stock in trade consists of motorised vehicles.

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 accordingly. Every item, if more than one, shall be separately subject to this condition.

Additional perils (if stated in the schedule to be included)

It is understood and agreed that in respect of each additional perils extension included in this insurance.

(a) all the exceptions and conditions applicable to this insurance shall apply as if they had been incorporated therein

(b) for the purposes thereof any damage insured shall be deemed to have been caused by fire.

Earthquake extension

Damage caused by earthquake and earth tremor whether caused by mining operations or not but excluding damage to property in the underground workings of any mine and excluding damage caused by tsunami.

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Leakage extension

Damage caused by discharge or leakage from any sprinkler, drencher system or fire extinguishing installation/appliance.

If a first loss limit is shown against this additional peril in the schedule, the amount of such limit shall be the maximum liability of the company in respect of any one event and, for the purposes of this extension only, the following shall be substituted for the average condition hereinbefore expressed:

If the property insured is, at the commencement of any damage to such property by discharge or leakage, collectively of greater value than the sum insured thereon against fire damage, then the company shall be liable under this extension only for that proportion of the first loss limit as the sum insured against fire bears to the total value of such property and the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, to which this extension applies shall be separately subject to this clause.

In respect of this extension only, specific exception 1 to this section is deleted.

Subsidence and landslip extension (Limited Cover - If stated in the schedule to be included)

Damage caused by subsidence or landslip of the land supporting the insured property or heave thereof provided that such loss or damage is not caused by or does not arise from

1. normal settlement, shrinkage, or expansion of the land supporting the insured property.
2. compaction or infill
3. defective or faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
4. workmen engaged in making any structural alterations, additions or repairs to any building(s) situated at the insured premises.
5. excavation on or under land other than excavations in the course of mining operations
6. contraction and/or expansion of soil, clay or similar types or moist or damp

The company will not be liable for

1. loss of or damage to swimming pools and surrounds, tennis courts, patios, paths, driveways, terraces, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences, retaining and screening walls unless the insured buildings are damaged at the same time by the same event.
2. loss of or damage to solid floor slabs or any part of the insured property resulting from the movement of such slabs unless the foundation supporting the external walls of the insured building(s) are damaged by the same cause at the same time.
3. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.
4. existing damage at the inception date of the policy.

The insured will be responsible for the first R5 000 in respect of each and every claim.

The company will not be liable for claims expenses to prevent further loss or damage due to subsidence, landslip or heave except where appropriate design precautions were implemented during the original construction of the insured property and any subsequent additions thereto.

In any action, suit or other proceeding where the company alleges that, by reason of the provisions of these exceptions, any damage is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

Subsidence and landslip extension (Full Cover - If stated in the schedule to be included)

Damage caused by subsidence or landslip of the land supporting the insured property or heave thereof provided that such loss or damage is not caused by or does not arise from :

1. normal settlement, shrinkage, or expansion of the land supporting the insured property.
2. compaction or infill
3. defective or faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
4. workmen engaged in making any structural alterations, additions or repairs to any building(s) situated at the insured premises.
5. excavation on or under land other than excavations in the course of mining operations
6. contraction and/or expansion of soil, clay or similar types or moist or damp

The company will not be liable for

1. loss of or septic or conservancy tanks, drains, water courses unless the insured building(s) are damaged at the same time by the same event.
2. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.
3. existing damage at the inception date of the policy.

The insured will be responsible for the first 5% (five percent) of claim minimum R5 000 in respect of each and every claim.

In any action, suit or other proceeding where the company alleges that, by reason of the provisions of these exceptions, any damage is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

Malicious damage extension

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. movable property which is
   (a) stolen
   (b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
2. movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the insured

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3. immovable property owned or occupied by the insured occasioned by or through or in consequence of

   (a) the removal or partial removal or any attempt thereat or

   (b) the demolition or partial demolition or any attempt thereat of 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 the company alleges 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 on the insured.

   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 the insured, before the occurrence of any damage, obtains the written agreement of the company to continue this extension.

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

Power Surge extension

The company will indemnify the insured for costs, not exceeding the amount stated in the schedule, reasonably and necessarily incurred following any causes related to the supply of electricity, including power surges caused by cable theft or otherwise by ripple relay switching.

Provided that:

(i) The insured has complied with the requirements of the local municipal bylaws and the electricity supply authority at the time of the loss.

Limited to R25 000 each event should the property not be protected by SABS approved surge protectors.

Limited to R50 000 each event should the property be protected by SABS approved surge protectors.

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Riot and strike extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover 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 proviso (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.

Clauses and extensions

Rent clause (if insured under column 2)

The company will pay the 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 untenantable during the term specified therein in consequence of damage by a defined event.

(a) Rent receivable - the actual rent receivable by the insured at the time of the event in respect of the aforesaid premises or on such part of the same as may then be let.

(b) Rent payable - the actual rent payable by the insured to the owner or landlord of the said premises.

(c) 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 untenantable during the whole of the aforesaid term, the company shall only be liable to pay such proportion of the amount payable as the period of time during which the premises may remain untenantable 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 tenantable condition.

Designation of property clause

For the purpose of determining where necessary the column under which any property is insured, the company agrees to accept the designation under which such property has been entered in the insured's books.

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All other contents clause

The term all other contents referred to in the definition of property under column 3 of the schedule includes, but is not restricted to personal effects, tools and pedal cycles, the property of the insured or directors or employees of the insured in so far as such property is not otherwise insured.

The benefit under this extension is limited to R7,500 for any one individual in respect of property lost or damaged whilst on the insured's premises.

Limitations clause

The company's liability under column 3 of the schedule is restricted in respect of

(i) money, negotiable instruments and stamps to a limit of R7 500

(ii) documents, manuscripts, business books, plans, computer systems records and media, designs, patterns, models and moulds to the value of materials and sums expended in labour.

Alterations and misdescription clause

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

Architects' and other professional fees clause

The insurance under columns 1 and 3 of the schedule includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 20% (twenty 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 the insured's claim.

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% (fifteen percent) of the sum insured thereon, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Cost of demolition and clearing and erection of hoardings clause

The insurance under this section includes costs necessarily incurred by the insured 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.

The company will not 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.

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Fire extinguishing charges clause

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

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 the company 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 the company.

Municipal plans scrutiny fee clause

The insurance under column 1 of the schedule includes municipal plans scrutiny fee, provided that the total amount recoverable under any item shall not exceed the sum insured on the building affected.

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.

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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.

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.

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.

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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% (fifteen percent) 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.

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.

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% (seventy five percent) 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% (fifty percent) 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.

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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.

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.

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% (fifty percent) of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

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.

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BUILDINGS COMBINED

Defined events

1. Damage by the perils described
   (a) in sub-section A to the buildings including all outbuildings thereto (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise stated in the schedule) and sporting and recreational structures, landlord's fixtures and fittings (excluding fixed filtration plant, water-pumping machinery, automatic pool cleaners, electronic gate motors, garage door machinery or burglar alarm systems) therein and thereon, walls (except dam walls), gates, posts, fences, and tarred or paved roads, driveways, paths or parking areas, swimming pools (except pools built above ground level and vinyl lined pools) and boreholes.
   (b) in sub-section B to public supply connections situated as stated in the schedule.
2. Loss of rent as provided for in sub-section C.
3. Legal liability as provided for in sub-section D.

SUB-SECTION A - Property

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow other than
   (a) that arising from its undergoing any process necessarily involving the use or application of water
   (b) wear and tear or gradual deterioration
   (c) loss or damage
      (v) to retaining walls
      (iii) caused or aggravated by
         - subsidence or landslip
         - the insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage.
3. Earthquake.
4. Aircraft and other aerial devices or articles dropped therefrom.
5. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes, vehicles or property in or on such vehicles.
6. Theft (or any attempt thereat) accompanied by forcible and violent entry into or exit from such building. If any building insured or containing the insured property becomes unoccupied for 30 consecutive days, this item is suspended as regards the property affected unless the insured before the occurrence of damage obtains the written agreement of the company to continue this insurance. During the period of the initial unoccupancy of 30 consecutive days the insured shall become a co-insurer with the company and shall bear a rateable proportion of any damage equal to 20% of the claim before deduction of any first amount payable.
7. Accidental damage to sanitaryware, but the amount payable will be reduced by R250 for each and every such damage.

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Specific condition (not applicable to 7 above)

Average

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

SUB-SECTION B - Public supply connections

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.

SUB-SECTION C - Rent

Loss of rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenantable (including partially untenantable) but only for the period necessary for reinstatement and for an amount not exceeding 25% (twenty five percent) of the sum insured on the affected property. The basis of calculation shall be the rent payable immediately preceding the damage or its equivalent in rental value.

SUB-SECTION D - Liability

Damages for which the insured shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person (hereinafter termed injury) or accidental loss of or physical damage to tangible property (hereinafter termed damage) occurring during the period of insurance in, on or about the property insured and arising from the insured's ownership thereof.

The limit of indemnity

The amount payable inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants and 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 amount of R1 000 000.

Specific exceptions (applicable to sub-section D)

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

1. injury or damage sustained by
   - (a) any member of the same household as the insured;
   - (b) any person employed by the insured under a contract of service or apprenticeship and arising directly from and in the course of such employment by the insured;
   - (c) any other person resulting from the ownership of or use by or on behalf of the insured of mechanically propelled vehicles (except pedal cycles and lawnmowers);
2. damage to property
   - (a) (i) belonging to the insured

     (ii) in the custody or control of the insured or any employee of the insured
   - (b) caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure

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

4. (a) Liability in respect of injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence

   (b) the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence

   This exception shall not extend the policy to cover any liability which would not have been insured under this policy in the absence of this exception

5. fines, penalties, punitive, exemplary or vindictive damages

6. (a) damages in respect of judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland

   (b) costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in 6(a) above.

Memoranda to sub-section D

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

2. Provided that the aggregate liability of the company is not increased beyond the limit of indemnity stated, the company will also indemnify as though a separate policy had been issued to each

   (a) in the event of the death of the insured, any personal representative of the insured in respect of liability incurred by the insured

   (b) any partner or director or member or employee of the insured (if the insured so requests) against any claim for which the insured is entitled to indemnity under this insurance.

3. In respect of this sub-section only, General exception 1 is deleted and replaced by the following:
   This sub-section does not cover injury, damage or liability directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

4. If, at the time of any event giving rise to a claim under this sub-section, indemnity is also provided under any other insurance, this sub-section shall not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.

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Clauses and extensions

Subsidence and landslip extension (Limited Cover - If stated in the schedule to be included)

Damage caused by subsidence or landslip of the land supporting the insured property or heave thereof provided that such loss or damage is not caused by or does not arise from

1. normal settlement, shrinkage, or expansion of the land supporting the insured property.
2. compaction or infill
3. defective or faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
4. workmen engaged in making any structural alterations, additions or repairs to any building(s) situated at the insured premises.
5. excavation on or under land other than excavations in the course of mining operations
6. contraction and/or expansion of soil, clay or similar types or moist or damp

The company will not be liable for

1. loss of or damage to swimming pools and surrounds, tennis courts, patios, paths, driveways, terraces, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences, retaining and screening walls unless the insured buildings are damaged at the same time by the same event.
2. loss of or damage to solid floor slabs or any part of the insured property resulting from the movement of such slabs unless the foundation supporting the external walls of the insured building(s) are damaged by the same cause at the same time.
3. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.
4. existing damage at the inception date of the policy.

The insured will be responsible for the first R5 000 in respect of each and every claim.

The company will not be liable for claims expenses to prevent further loss or damage due to subsidence, landslip or heave except where appropriate design precautions were implemented during the original construction of the insured property and any subsequent additions thereto.

In any action, suit or other proceeding where the company alleges that, by reason of the provisions of these exceptions, any damage is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

Subsidence and landslip extension (Full Cover - If stated in the schedule to be included)

Damage caused by subsidence or landslip of the land supporting the insured property or heave thereof provided that such loss or damage is not caused by or does not arise from :

1. normal settlement, shrinkage, or expansion of the land supporting the insured property.
2. compaction or infill
3. defective or faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises

4. workmen engaged in making any structural alterations, additions or repairs to any building(s) situated at the insured premises.
5. excavation on or under land other than excavations in the course of mining operations
6. contraction and/or expansion of soil, clay or similar types or moist or damp

The company will not be liable for

1. loss of or septic or conservancy tanks, drains, water courses unless the insured building(s) are damaged at the same time by the same event.
2. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.
3. existing damage at the inception date of the policy.

The insured will be responsible for the first 5% (five percent) of claim minimum R5 000 in respect of each and every claim.

In any action, suit or other proceeding where the company alleges that, by reason of the provisions of these exceptions, any damage is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

Prevention of access extension to sub-section C (if stated in the schedule to be included)

If property within a 10 km radius of the premises stated in the schedule is lost or damaged by a peril defined in subsection A during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, the company will pay any loss of rent the insured may incur as a result thereof up to an amount not exceeding 25% (twenty five percent) of the sum insured on the affected property. The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.

Security firms and garden services (applicable to sub-section D - Liability)

Notwithstanding specific exception 3, if, in terms of a contract with a security firm engaged in the course of the insured's business (as owner of the premises specified in the schedule) to protect the insured's property at the premises stated in the schedule, or in terms of a contract with any garden services firm employed under contract to maintain the gardens at the insured's premises, the insured becomes legally liable for the acts or omissions of the employees of the security or garden services firm in the course of their employment at these premises, then this sub-section includes such legal liability to the extent that indemnity would have been granted under this sub-section had the said employees been under a contract of service to the insured and not the security and/or garden services firm, but not exceeding the limit of liability stated in the schedule for this sub-section.

If, at the time of an occurrence giving rise to a claim, the security and/or garden services firm is entitled to indemnity under any other policy in respect of the same event, the company shall not be liable to make any payment except in respect of any amount above the amount payable under such other policy.

Power Surge extension

The company will indemnify the insured for costs, not exceeding the amount stated in the schedule, reasonably and necessarily incurred following any causes related to the supply of electricity, including power surges caused by cable theft or otherwise by ripple relay switching.

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Provided that:

(i) the insured has complied with the requirements of the local municipal bylaws and the electricity supply authority at the time of the loss.

Limited to R25 000 each event should the property not be protected by SABS approved surge protectors.

Limited to R50 000 each event should the property be protected by SABS approved surge protectors.

Architects' and other professional fees clause

The insurance under sub-section A includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 20% (twenty 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 the insured's claim.

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 for an amount not exceeding 15% (fifteen percent) of the sum insured thereon, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Cost of demolition and clearing and erection of hoardings clause

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

The company will not 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.

Fire extinguishing charges clause

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

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 the company 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 the company.

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Municipal plans scrutiny fee clause

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

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 by 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.

Motors and pumping equipment

If fixed filtration plant , water-pumping machinery (excluding automatic pool cleaners), water features and statues, electronic gate motors, garage door machinery and/or burglar alarm systems are lost, destroyed or damaged (excluding damage as a result of wear and tear and gradual deterioration) the company will pay for or choose to repair or replace them. The insured will be responsible for the first amount payable of R500 of every claim and the company will not pay more than R7 500 per insured event or series of events from the same cause.

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Damage to gardens

The insurance under this section includes costs up to R5 000 reasonably and necessarily incurred by the insured for the replacement of trees, shrubs, lawns, plants and fixed sprinkler installations situated in the grounds of the insured buildings and owned by the insured, following damage caused by fire, fire-fighting or other emergency services operations, explosion, impact by vehicles or aircraft or other aerial devices or articles dropped therefrom, deliberate or malicious acts but excluding theft and provided that the total amount recoverable shall not exceed the sum insured on the property affected.

Railway and other subrogation clause

The insured shall not be prejudiced by signing the "Transnet Cartage (Hazardous Premises) Indemnity" or other special agreements with the Transnet Administration regarding private sidings or similar agreements with other government bodies.

Reinstatement value conditions

In the event of the property being damaged, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the insured property when new, provided that

1. the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable 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, their 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.

Temporary removal clause

Except in so far as otherwise insured, landlord's fixtures and fittings are covered while temporarily removed to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi provided that the amount payable under this clause shall not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed.

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Tenants clause

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

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

During each period of insurance, the sum(s) insured under sub-section A 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% of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

Malicious damage extension

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

1. movable property which is
   - (a) stolen
   - (b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
2. movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the insured
3. immovable property owned or occupied by the insured occasioned by or through or in consequence of
   - (a) the removal or partial removal or any attempt thereat of
   - (b) the demolition or partial demolition or any attempt thereat of the said immovable property or any part thereof with the intention of stealing any part thereof provided that this extension does not cover:
     - (i) loss or damage related to or caused by fire or explosion;
     - (ii) consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured;
     - (iii) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;

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

(v) loss or 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 the company alleges 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 on the insured.

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 the insured, before the occurrence of any damage obtains the written agreement of the company to continue this extension.

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

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

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein sub-sections A, B and C of this section are extended to cover loss or damage directly occasioned by or through or in consequence of:

1. civil commotion, labour disturbances, riot, strike or lockout;
2. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (1) 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 proviso (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.

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OFFICE CONTENTS

Defined events

1. Loss of or damage to the contents (other than documents as defined in sub-section C if insured thereunder and all electronic data processing equipment) including landlord's fixtures and fittings the property of the insured or for which they are responsible and, unless otherwise stated in the schedule, to the extent that the same is not otherwise insured, property owned by any partner or director or employee of the insured up to an amount of R5 000 per person while contained in the offices and/or consulting rooms situated as stated in the schedule (hereinafter called the office premises) by any of the perils specified in sub-section A.
2. Loss of or damage to the whole or part of the property insured under item C and defined in sub-section C and the consequences thereof insured under item D and as described in sub-section D.
3. Loss and/or expenditure described in sub-sections B and E.

SUB-SECTION A - Contents

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow excluding loss of or damage to property arising from its undergoing any process necessarily involving the use or application of water.
3. Earthquake but excluding loss of or damage to property in the underground workings of any mine.
4. Aircraft and other aerial devices or articles dropped therefrom.
5. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.
6. Accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.

Limitations clause

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

Specific conditions

Average (not applicable to peril 6 above or to the theft or the theft by forcible entry extensions)

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

First Loss Average (if stated in the schedule to be included)

In respect of the theft or theft by forcible entry extensions only, if, at the time of any loss or damage arising, the total value of the property insured does not exceed the sums stated in the schedule then this insurance shall be declared free of average, but if the total value of the property insured shall be greater than the aforementioned sums, the insured shall be considered as being their own insurer for the difference and the

company shall be liable only for such proportion of the first loss sum insured as the aforementioned sums shall bear to the total value not exceeding in all the total sum insured by each item.

Specific exceptions (applicable to sub-section A)

This sub-section does not cover

(a) property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

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

(c) the first 10% of the indemnifiable amount or R1 000 whichever is the greater if the loss or damage is due to lightning strikes.

SUB-SECTION B - Rent

Loss of rent actually incurred by the insured in consequence of the office premises or portion thereof being so damaged by any of the perils specified in sub-section A as to be rendered uninhabitable, but only in respect of the period necessary for reinstatement. The indemnity under this sub-section shall not exceed 25% of the sum insured or value (whichever is the lower) of all contents of the office premises affected.

For the purpose of this sub-section, the term “office premises” shall be deemed to extend to any premises or portion thereof in the vicinity of the office premises, damage to which prevents or limits access to the office premises.

SUB-SECTION C - Documents

Loss of or damage to documents normally kept at the office premises by any peril not specifically excluded.

Definition

The term “documents” shall mean

films, tapes, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates, documents and similar written, printed or otherwise inscribed papers and documents used by the insured in the business and owned by them or for which they are responsible excluding money, current postage or revenue stamps, cancelled and uncancelled coupons, securities, bearer bonds, cheques, drafts and any written order to pay a sum certain in money and any written evidence of indebtedness or obligation and all property carried or held as samples or for sale or for delivery after sale and computer software and computer data carrying media unless otherwise stated in the schedule.

Limitations clause

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

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Specific exceptions (applicable to sub-section C)

This sub-section does not cover

(a) loss or damage caused by

(i) electric or electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings except by lightning in which case the lightning loss or indemnifiable amount will be reduced by the greater of 10% of such amount or R1 000

(ii) vermin or inherent defect or by processing, copying or other work upon the documents

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

(b) gradual deterioration or wear and tear

(c) costs involved in reshooting films and videos and rerecording audio tapes.

SUB-SECTION D - Legal liability documents

Legal liability as a direct consequence of loss of or damage to documents as defined in sub-section C and in respect of which payment, reinstatement or repair has been made or liability admitted by the company under sub-section C unless such payment, reinstatement, repair or liability has not been made or admitted solely because the insured is required to bear the first portion of the loss.

Specific exception (applicable to sub-section D)

This sub-section does not cover liability assumed by the insured under any contract, undertaking or agreement where such liability would not have attached to the insured in the absence of such contract, undertaking or agreement.

SUB-SECTION E - Increase in cost of working

Any additional expenditure not otherwise provided for in this section reasonably incurred by the insured for the purposes of maintaining the normal operation of the business in consequence of loss or damage in respect of which payment, reinstatement or repair has been made or liability therefor admitted by the company under sub-sections A or C.

The indemnity under this sub-section shall not exceed 25% (twenty five percent) of the sum insured on all contents of the office premises affected.

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Clauses and extensions

Alterations and misdescription clause

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

Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to the property for an amount not exceeding 15% (fifteen percent) of the sum insured thereon, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Fire extinguishing charges clause

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

Locks and keys clause

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, keys and access proximity cards to any insured office premises following upon the disappearance of any key and/or access proximity card to such premises or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key or a cloned access proximity card provided that

(i) the company's liability shall not exceed R5 000 in respect of any one event

(ii) the company shall not be liable for the first R100 of each and every event.

New and additional premises clause

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

(i) the insured shall, within a reasonable time of taking occupation, advise the company thereof and pay additional premium calculated pro rata from the time of taking occupation until the end of the then current period of insurance

(ii) this clause shall not apply to any loss if and so far as the same is otherwise insured.

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Removal of debris clause

The insurance under this section is extended to include such reasonable costs and expenses as may be necessarily incurred by the insured in respect of the removal of debris following loss of or damage to the insured property by any peril hereby insured against, provided that the liability of the company for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the schedule to be insured on the property affected.

The company will not 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.

Temporary removal clause

Except in respect of the personal property of any partner, director or employee of the insured, loss of or damage to the insured property by any peril hereby insured against while such property is temporarily contained in any building in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi shall be deemed to be loss or damage happening while such property is contained in the office premises.

Temporary repairs and measures after loss clause

The insurance under this section is extended to include all reasonable costs and expenses incurred by the insured in effecting such temporary repairs and by taking such temporary measures as may be reasonably necessary after loss of or damage to the insured property by any peril hereby insured against, provided that the liability of the company for such loss or damage and costs and expenses shall not exceed R10 000 in respect of any one event.

Tenants clause

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

Replacement value condition

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

or

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

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Malicious damage extension

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

1. movable property which is
   (a) stolen
   (b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
2. movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the insured
3. immovable property owned or occupied by the insured occasioned by or through or in consequence of
   (a) the removal or partial removal or any attempt thereat of
   (b) the demolition or partial demolition or any attempt thereat of

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

   provided that this extension does not cover
   (a) damage related to or caused by fire or explosion;
   (b) consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured;
   (c) damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
   (d) damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
   (e) 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 the company alleges that, by reason of proviso (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.

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 the insured, before the occurrence of any damage, obtains the written agreement of the company to continue this extension.

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

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Power Surge extension

The company will indemnify the insured for costs, not exceeding the amount stated in the schedule, reasonably and necessarily incurred following any causes related to the supply of electricity, including power surges caused by cable theft or otherwise by ripple relay switching.

Provided that:

(i) the insured has complied with the requirements of the local municipal bylaws and the electricity supply authority at the time of the loss.

Limited to R25 000 each event should the property not be protected by SABS approved surge protectors.

Limited to R50 000 each event should the property be protected by SABS approved surge protectors.

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

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, sub-sections A, B and C of this section are extended to cover loss or damage directly occasioned by or through or in consequence of:

(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 proviso (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.

LOMBARD
Commercial

Theft by forcible entry extension (if stated in the schedule to be included)

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

7. Theft accompanied by forcible and violent entry into or exit from the offices and/or consulting rooms or any attempt thereat or as a result of theft (or any attempt thereat) following violence or threat of violence provided that

   (i) the company will not be liable under this extension for theft or attempted theft by any principal, partner, director or employee of the insured

   (ii) the amount payable will be reduced by the first amount payable shown in the schedule for this extension

   (iii) the maximum amount payable will not exceed the sum insured shown in the schedule for this extension, less its first amount payable

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

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

7. Theft or any attempt thereat other than by any principal, partner, director or employee of the insured provided that

   (i) the amount payable will be reduced by the first amount payable shown in the schedule for this extension

   (ii) the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable

Memorandum

In respect of sub-section D only, General exception 1 is deleted and replaced by the following:

This sub-section does not cover loss, damage, liability or expenditure 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.

LOMBARD
Commercial

BUSINESS INTERRUPTION

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.

Specific conditions

1. The insurance under this section shall cease if the business is wound up or is under business rescue 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.

LOMBARD
Commercial

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.

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Commercial

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.

Definitions

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.

Memorandum

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.

Extensions and clauses

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

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.

LOMBARD
Commercial

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% (seventy five percent) 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% (seventy five percent) of the sum insured thereon, a pro rata return or additional premium not exceeding 33.3% (thirty three and one third percent) 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.

LOMBARD
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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 the limited stated or a maximum of 20% of the Gross Profit sum insured whichever the lesser.

(b) Unspecified customers and 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 or a maximum of 20% of the Gross Profit sum insured whichever the lesser.

(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 subject to the limited stated or a maximum of 20% of the Gross Profit sum insured whichever the lesser.

(i) 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.

(j) 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).

(k) 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:

(a) drought

(b) a fault on any part of the premises belonging to the insured

(c) 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

(d) 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.

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

(a) 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 section extension does not cover loss resulting from damage directly or indirectly caused by:

(b) drought

(c) pollution of water

(d) shortage of fuel or water

(e) a fault on any part of the installation belonging to the premises

(f) 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

(g) 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."

Loss or damage following theft (if stated in the schedule to be included)

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 the theft section of the policy.

LOMBARD
Commercial

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.

Specific exceptions

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.

Specification

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

(a) the difference between

  (i) the outstanding debit balances

  and

  (ii) the total of the amounts received or traced in respect thereof

  plus

(b) 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.

LOMBARD
Commercial

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% (percent) 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 percent 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% (thirty three and one third percent) 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.

LOMBARD
Commercial

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.

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 effected 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% (fifty percent) of the highest amount stated in the schedule applicable to any one premises
2. In addition to the limit of indemnity stated in the schedules
   (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 building, landlords 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, 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 responsibly 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 a reason to believe that any unauthorised person may be in possession of a duplicate of such key

Provided that

(a) the company's liability shall not exceed R5 000 in respect of any one event

(b) the company shall not be liable for the first R200 of each and every event

4. The term "all contents" includes 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 any amount of R5000 in the case of any one person.

Malicious Damage Theft extension (if stated in the schedule to apply)

Subject to the specific exceptions and conditions, the following Defined Event is added:

Damage to buildings at the premises described in the schedule (including landlord's fixtures and fittings) and all contents (whilst in such building), the property of the insured for which they are responsible caused by the deliberate or wilful or wanton act of any person during the course of any theft or attempted theft accompanied by forcible and violent entry into or exit from such buildings.

The liability of the company under this extension for any one event shall not exceed the amount shown on the schedule.

Limitations

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

Specific exceptions

The company shall not be liable for

1. loss or damage which can be insured under a fire policy except in the case of explosion caused in an attempt to effect entry
2. loss or damage insurable under a glass insurance policy
3. property more specifically insured or, unless specified in the schedule, cash, bank and currency notes, cheques, postal orders, money orders, current negotiable stamps and documents or certificates of a negotiable nature
4. loss or damage in which any principal, partner, director or any member of the insured's household or any of the insured's employees is concerned as principal or accessory

LOMBARD
Commercial

Specific conditions

1. This section shall be voidable if the nature of the risk is materially altered without the prior written consent of the company.

2. Burglar alarm warranty (if stated in the schedule to be applicable)

   In respect of any premises stated in the schedule in which a burglar alarm is installed it is a condition precedent to the liability and warranted that

   (a) the burglar alarm 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) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is excluded unless such keys, keypad code or remote control have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft.

   (c) Where the installed alarm is a burglar alarm approved by the company the company will be entitled to request full information of the relevant arming and disarming log after the occurrence of a claim or

   (d) Where the installed alarm is not a burglar alarm approved by the company

      (i) the said alarm is to be a dual monitoring alarm where available (for the purposes of this requirement, dual monitoring shall mean that once the alarm is triggered a signal will be transmitted by two different methods to the control room of the company monitoring the alarm);

      (ii) if the company which installed the said alarm system operates an armed reaction unit, the contract for the said alarm shall include the armed reaction unit's services, where available;

      (iii) the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim, the company will be entitled to request full information of the relevant log;

      (iv) such alarm will be maintained in proper working order.

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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, strongroom, 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 R2 000 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 R5 000 in respect of any one event

(ii) the company shall not be liable for the first R200 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 - **the capital sum in the schedule**
2. permanent disability as follows - **the percentage of the capital sum specified**

		Percentage of capital sum
(a)	loss by physical separation at or above the wrist or ankle of one or more limbs	100
(b)	permanent and total loss of	
	whole eye	100
	sight of eye	100
	sight of eye except perception of light	75
(c)	permanent and total loss of hearing	
	both ears	100
	one ear	25

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(d) permanent and total loss of speech 100

(e) injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training 100

(f) loss of four fingers 70

(g) loss of thumb

both phalanges 25
one phalanx 10

(h) loss of index finger

three phalanges 10
two phalanges 8
one phalanx 4

(i) loss of middle finger

three phalanges 6
two phalanges 4
one phalanx 2

(j) loss of ring finger

three phalanges 5
two phalanges 4
one phalanx 2

(k) loss of little finger

three phalanges 4
two phalanges 3
one phalanx 2

(l) loss of metacarpals

first or second metacarpal 3
third, fourth or fifth metacarpal 2

(m) loss of toes

all on one foot 30
great, both phalanges 5
great, one phalanx 2
other than great, if more than one toe lost, each 2

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

4. The reasonable expenses incurred, up to the sum specified in the schedule, shall be payable in respect of medical, surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) incurred within 24 months of the defined event.

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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% (one hundred percent) 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 70 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 thereat

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.

LOMBARD
Commercial

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 14 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 strongroom 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 strongroom;
4. in an unlocked safe or strongroom whilst the portion of the premises containing such safe or strongroom is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the keyholder to the safe or strongroom deliberately left it unlocked with the intention of allowing the money to be stolen;
5. not contained in a locked safe or strongroom whilst the portion of the premises containing such money is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the person(s) responsible for the money deliberately left it outside the safe or strongroom with the intention of allowing it to be stolen;
6. 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 5 metres of it in a position from which the vehicle is clearly visible. This exception shall not apply following an accident involving such vehicle rendering the said person incapacitated.

Specific exceptions (3), (4), (5) and (6) do not apply up to an amount of R3 000 and such losses shall not be reduced by any first amount payable.

Money in Transit Warranty

It is a condition precedent to liability that any transport of money as defined up to R15 000 transported by one employee, from R15 001 to R25 000 by two employees and in excess of R25 000 by a reputable and recognised professional cash carrier failing which a limit of R15 000 any one event or the major limit as stated in the schedule, whichever the lesser, shall apply.

Money in transit - Uninterrupted Transit Warranty

It is a condition precedent to liability that any transport of money as defined being transported to or from the premises of the insured as stated in the schedule to any bank by the insured shall be uninterrupted.

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Burglar alarm warranty (if stated in the schedule to be applicable)

In respect of any premises stated in the schedule in which a burglar alarm is installed it is a condition precedent to the liability and warranted that

(a) the burglar alarm 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) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is excluded unless such keys, keypad code or remote control have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft.

(c) Where the installed alarm is a burglar alarm approved by the company the company will be entitled to request full information of the relevant arming and disarming log after the occurrence of a claim or

(d) Where the installed alarm is not a burglar alarm approved by the company

  (i) the said alarm is to be a dual monitoring alarm where available (for the purposes of this requirement, dual monitoring shall mean that once the alarm is triggered a signal will be transmitted by two different methods to the control room of the company monitoring the alarm);

  (ii) if the company which installed the said alarm system operates an armed reaction unit, the contract for the said alarm shall include the armed reaction unit's services, where available;

  (iii) the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim, the company will be entitled to request full information of the relevant log;

  (iv) such alarm will be maintained in proper working order.

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.

LOMBARD
Commercial

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 undermentioned "Recommended South African Insurance Association (SAIA) procedure for drawing and crossing of cheques" or any other superior method approved by the SAIA 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 undermentioned "Recommended SAIA procedure for drawing and crossing of cheques" or any other superior method approved by the SAIA

   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 or SAIA) recommending or requiring that the cheque be drawn in accordance with the undermentioned "Recommended SAIA procedure for drawing and crossing of cheques".

LOMBARD
Commercial

Recommended SAIA 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.

This method is recommended by SAIA.

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.

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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:

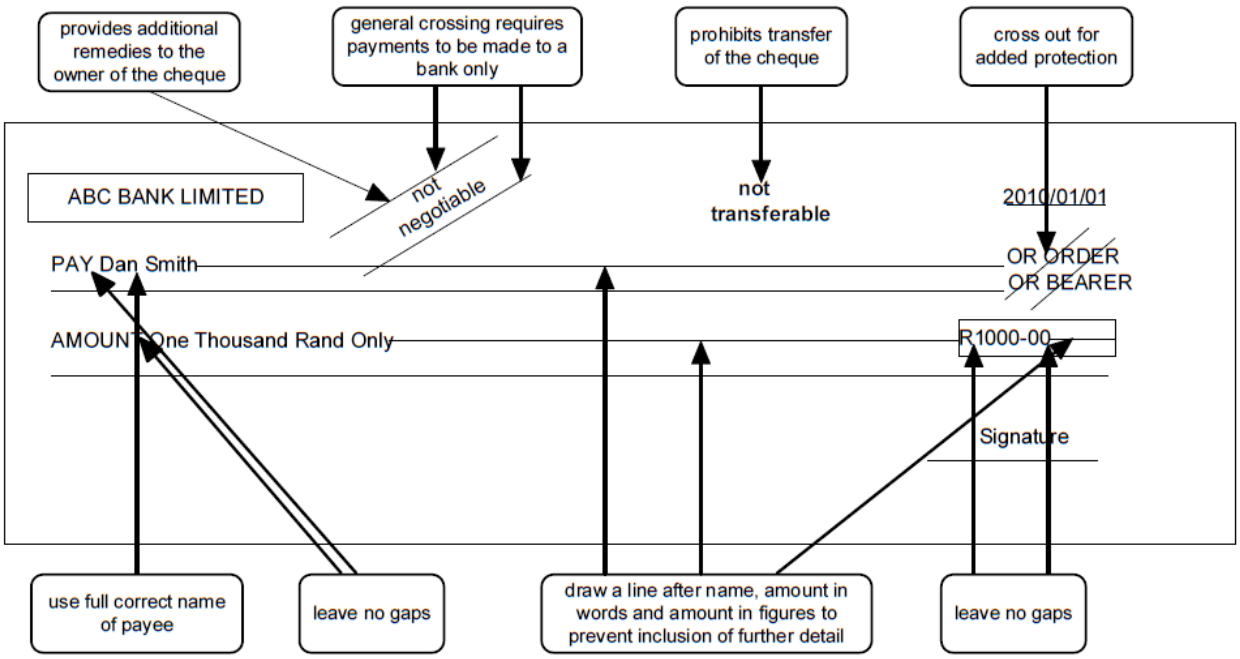
(i) security paper (CBS1 or superior)

(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.

ANNEXURE A - RECOMMENDED CHEQUE



ANNEXURE B - RECOMMENDED CHEQUE

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

WARNING

To person encashing this cheque or receiving it in exchange for any consideration.
Where a cheque has been stolen from or lost by the true owner, you may be liable to reimburse him for his loss if you encash such cheque or receive it in exchange for any consideration. (Section 81 of the Bills of Exchange Act, 1964)
NB This cheque is crossed and marked "not negotiable" and "not transferable"

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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 security 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 condition

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 6 mm in thickness, whether coated with a film or not, or laminated safety glass not exceeding 8,0mm 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 effected, 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
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.

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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.

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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 other than gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments

   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 loss whichever 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;

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.

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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 of

   any 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) of 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 employees 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 within 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 within 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.

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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:

10% of claim minimum R5 000.

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.

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

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

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; the insured pays additional premium
2. 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.

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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 whose dishonest or fraudulent acts the claim is made, of that part of the loss which exceeds the sum insured hereunder. All amounts recovered by the insured in excess of the said part of the loss shall be for the benefit of the company 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 (i) (a) of the defined events is restated to read:

   (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 (i) (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 **Computer Losses**	From 10% to 12,5% 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 or legislation of the Republic of South Africa 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.

LOMBARD
Commercial

GOODS IN TRANSIT

Defined events

Loss of or damage to the whole or part of the property described in the schedule, owned by the insured or for which they are responsible, in the course of transit by the means of conveyance or other means incidental thereto and caused by any accident or misfortune not otherwise excluded provided that:

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

(ii) the liability of the company for all loss or damage arising from any one defined event shall not exceed the limit of indemnity stated in the schedule.

Memoranda

1. Transit shall be deemed to commence from the time of moving the property described in the schedule at the consignor's premises (including carrying to any conveyance and loading thereon), continue with transportation to the consignee (including temporary storage not exceeding 96 hours in the course of the journey) and end when off-loaded and delivered at any building or place of storage at the consignee's premises.
2. If any consignee shall refuse to accept 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 conveyance, provided that the insured shall 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 specified vehicle, the insurance under this section shall apply to property on any vehicle temporarily used in place thereof while a specified vehicle is undergoing repair or servicing, which replacement vehicle is not the property of the insured or leased or hired by them under a lease or suspensive sale agreement.
4. In the event of breakdown of the means of conveyance during transit or if, for any reason beyond the insured's control, the property is endangered, nothing contained herein shall debar the utilisation of any other form of transport to assist completion of the transit and the insurance afforded shall not be affected thereby.

Debris removal extension (if stated in the schedule to be included)

The insurance under this section includes costs necessarily incurred by the insured in respect of the clearing up and removal of debris following damage to the means of conveyance or to the property thereon, subject to a limit of R5 000 or the limit stated in the schedule, whichever is the greater, in respect of any one defined event.

Restricted cover

Fire, explosion, collision, derailment and overturning limitation (if stated in the schedule to be included)

The insurance under this section is limited to loss or damage resulting from fire or explosion or collision or the overturning or derailment of the means of conveyance described in the schedule.

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Specific exceptions

The company shall not be liable for

1. loss or damage 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 to or exit from;
   (b) inherent vice or defect, vermin, insects, damp, mildew or rust;
   (c) the dishonesty of any principal, partner, director or employee of the insured whether acting alone or in collusion with others;
   (d) or arising whilst in transit by sea or inland transit incidental thereto;
   (e) breakdown of refrigeration equipment;
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 of the insured property unless following an accident or misfortune not otherwise excluded;
4. 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 the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi;
   (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 effected;
5. consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.

Specific extensions

Fire extinguishing charges extension

If the property described in the schedule is lost or damaged by fire in the course of a transit insured by this section the company will in addition to indemnifying the insured for such loss or damage pay for the cost of extinguishing or attempting to extinguish such fire provided that the maximum amount payable under this extension shall not exceed the limit of indemnity shown in the schedule opposite this clause plus (if applicable) the increased Fire extinguishing charges extension limit.

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Commercial

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.

LOMBARD
Commercial

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 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, vouchers, 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.

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

(a) 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

(b) 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.

Theft from Locked Boot

The company shall not be liable for loss or damage caused by theft or attempted theft of equipment from an unattended motor vehicle unless such equipment is placed in a locked boot which shall be locked and the theft or attempted theft is accompanied by forcible and violent entry into the boot. Where such property cannot be secured in a locked boot due to the design of the vehicle it must be concealed in such a manner that it is completely undetectable to the naked eye and the loss or damage to such property shall be accompanied by forcible and violent entry into the vehicle, or the vehicle itself is housed in a securely locked building and entry to such locked vehicle or building is accompanied by forcible and violent entry or exit.

Remote Jamming

If the Insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but the locking mechanism was blocked by thieves using an electronic device, such evidence will be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of the cab or boot of the vehicle. Where there is no proof as stated above the cover will be limited to R10 000 per incident less the excess applicable or whichever the lesser.

Cellular Telephone Blacklisting Requirement

Loss, theft, destruction or damage to any cellular telephone unless the blacklisting reference number as provided by the cellular telephone service provider has been submitted to the company as proof that the cellular telephone has been successfully disabled.

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.

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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.

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ACCIDENTAL DAMAGE

Defined events (i)

Accidental physical loss or damage to the insured property at or about the premises not otherwise insured or for which insurance is available and described (whether incorporated in this policy or not) in terms of any section (other than Business All Risk) listed in the index of this policy.

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

and

Notwithstanding general condition 2, this section shall not be called into contribution for any defined event for which more specific insurance has been arranged.

Specific exceptions

The company shall not be liable for

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

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

(c) unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information

(d) loss of or damage to insured property caused by

  (i) any fraudulent scheme, trick, device or false pretence practiced on the insured (or any person having custody of the Insured property) or fraud or the dishonesty of any principal or agent of the insured

  (ii) overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus

  (iii) breakdown, electrical, electronic and/or mechanical derangement

  (iv) altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon

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

  (vi) denting, chipping, scratching or cracking not affecting the operation of the item

  (vii) termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions, the action of light

(e) settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any Insured property

(f) (i) loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container
(ii) loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes

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

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

Definition

Insured Property

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

(a) current coin (including Krugerrands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, and other certificates, documents or instruments of a negotiable nature

(b) furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art

(c) property in transit by air, inland waterway or sea

(d) railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers

(e) standing or felled trees, crops, animals, land (including topsoil, backfill, drainage and culverts), driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines (external to the premises), tunnels, cables (external to the premises), cableways, bridges, docks, jetties, wharves, piers, excavations, property below the ground or explosives

(f) electronic data processing equipment and external data media (punch cards, tape discs and the like) and the information they contain

(g) property in the course of construction, erection or dismantling including materials or supplies related thereto

(h) property in the possession of customers under lease, rental, credit or suspensive sale agreements

(i) glass, china, earthenware, marble and other fragile or brittle objects

unless stated in the schedule to be insured.

Defined events (ii) (if stated in the schedule to be included)

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

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Clauses and extensions

Restricted cover clause

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

Additional costs clause

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

(a) any costs incurred, due to the necessity to comply with the building or other regulations of any public authority, in repair or reinstatement following an insured event, provided that such costs do not include

  (i) anything for which notice had been served on the insured event

  (ii) anything connected with undamaged property or undamaged portions of property

  (iii) rates, taxes, duties, development and other charges payable under the said regulations sue to capital appreciation of the insured property

(b) fees for the examination of municipal or other plans

(c) costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding

(d) the professional fees of architects, quantity surveyors and other consultants

And the sum insured on all insured property includes

(e) charges levied by any authorised fire brigade for their services

But the company shall not be liable under (a), (b) or (d) unless the lost or damaged property is replaced or reinstated without undue delay nor under (d) for any expenses in connection with the preparation of the insured's claim.

Further, the company shall not be liable under (c) for any costs or expenses

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

(ii) arising from pollution or contamination of property not insured by this policy/section

Mortgagees clause

From the date of notification, the company accepts the interest of a mortgagee or others with an insurable interest in the insured property and will not prejudice such interest due to the act of omission of the mortgagor without the mortgagee's knowledge, provided that the mortgagee advises the company as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from the company assuming any increased hazard.

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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.

Tenants clause

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

Memoranda

1. **Average (if stated in the schedule to be included)**

   If, on the occurrence of an insured event, the value of the insured property is greater than the sum insured thereon the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Each item, if more than one, shall be separately subject to this memorandum

2. **Excluded property (if stated in the schedule to be included)**

   The property listed in the schedule is added to the excluded property in the definition of insured property.

3. **Reinstatement (if stated in the schedule to be included)**

   The basis upon which the amount payable is to be calculated following an insured event to buildings, plant and machinery shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than such insured property when new, provided that:

   (a) the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section shall be made

   (b) the company shall not be liable for any payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section, until expenditure has been incurred by the insured in replacing or reinstating the lost or damaged insured property

   (c) if, at the time of replacement or reinstatement, the sum representing, the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon the occurrence of an insured event, the insured shall be considered his own insurer for the difference and shall bear a rateable share of loss accordingly. Each item, if more than one, to which this memorandum applies shall be separately subject to this provision

   (d) this memorandum shall not apply if

      (i) the insured fail to intimate to the company within six months of the insured event or such further time as the company may allow in writing their intention to replace or reinstate the lost or damaged insured property

(ii) the insured are unable or willing to replace or reinstate the lost or damaged insured property on the same or another site.

4. First loss average (if stated in the schedule to be included)

If, at the time of any loss or damage arising, the total value of the property described by each item does not exceed the sums stated in the schedule then this insurance shall be declared free of average, but if the total value of such property shall be greater than the aforementioned sums, the insured shall be considered as being their own insurer for the difference and the company shall be liable only for such proportion of the first loss sum insured as the aforementioned sums shall bear to the total value not exceeding in all the total sum insured by each item.

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BROADFORM LIABILITY (CLAIMS MADE BASIS)

Defined events

Damages which the insured shall become legally liable to pay following upon :

1. death of or bodily injury to or illness of any person (hereinafter termed injury), and/or
2. loss of or physical damage to tangible property (hereinafter termed damage)

which occurred in the course of or in connection with the business
within the territorial limits and
which results in a claim or series of claims first being made against the insured in writing during the period of insurance or on or after the retroactive date shown in the schedule;

Limits of indemnity

The company's total liability to pay compensation, claimants' costs, fees and expenses and defence costs shall not exceed the indemnity limits stated in the schedule. The indemnity limit shall be the maximum amount of the company's liability in respect of all claims arising out of one original cause.

Where the indemnity limit is "in the annual aggregate" the company's liability for all claims arising in any one period of insurance shall be limited to the stated amount irrespective of the number of events giving rise to such claims.

In the event of any one originating cause giving rise to a claim or series of claims which form the subject of indemnity by more than one sub-section of this section of the policy, each sub-section shall apply separately as if a separate policy had been issued for each and is subject to its own limit of liability provided that the total amount of the company's liability shall be limited to the highest single indemnity limit available under any one of the sub-sections.

All limits of indemnity are payable in excess of the first amount(s) payable stated in the schedule

Definitions

1. "injury" means death, bodily injury, illness or disease, mental injury of or to any person
2. "damage" means loss of possession or control of or actual damage to tangible property or interference with servitude or right of access or other infringement of real or personal rights to the use of property
3. "pollution" means the emission, discharge, dispersal, disposal, seepage, release or escape of any liquid, solid, gaseous or thermal irritant, contaminant or pollutant into or upon land, the atmosphere or any water-course or body of water or the generation of smells, noises, vibrations, light, electricity, radiation, changes in temperature or any other sensory phenomena, but not fire or explosion
4. "product" means any tangible property after it has left the custody or control of the insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the insured, but shall not mean food and drink supplied by or on behalf of the insured primarily to the insured's employees as a staff benefit.

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5. "negligent advice" means incorrect or inadequate advice or information of a technical nature provided in the promotion of the insured's products or services but not where such advice or information is:
   (a) is provided in exchange for a fee or similar consideration, or
   (b) is an essential part of a revenue earning activity of the insured.
6. "vehicle" means any land vehicle or trailer (including any machinery or apparatus attached thereto) whether or not subject to vehicle registration or whether or not self-propelled including locomotives and rolling stock.
7. “business” means the business stated in the schedule
8. Territorial limits means:

   Anywhere in the world but not in respect of:
   (a) any judgement, award, payment or settlement made within countries which operate under the laws of the European Union, United Kingdom, United States of America or Canada to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part.
   (b) any business carried on by the insured at or from premises outside

   or
   (c) any contract for the performance of work outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

Memoranda

1. War, riot and terrorism

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.

2. Continuous exposure

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

(a) injury shall be deemed to have occurred when the claimant first consulted a qualified medical practitioner in respect of such injury

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

3. Notification extension

Should the insured notify the company during the period of insurance in accordance with Specific condition 1 of any specific event or circumstances which the company accepts may give rise to a claim or claims which form the subject of indemnity by this policy, then acceptance of such notification means

that company will deal with such claim or claims which may later arise as if they had first been made against the insured during the period of insurance.

4. Acquisitions and new business

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

Provided always that:

(i) The retroactive date in respect of such new company shall be deemed to be the date of formation or the date when a newly acquired company first purchased liability insurance of the type hereby insured on a "claims made" basis subject to a declaration from the newly acquired company's previous management of no known or reported claims or circumstances likely to give rise to a claim at date of acquisition. In the event of no such declaration the retroactive date shall be the date of acquisition.

(ii) The insured's business activity remains unchanged to that declared.

(iii) The annual turnover of all newly formed and/or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the insured as advised to company at inception hereof.

(iv) The insured shall advise the company of such formations and/or acquisitions before the expiry of 30 days thereof and the company reserve the right to amend the terms of this insurance accordingly.

Subject otherwise to the terms, exclusions, exceptions, conditions and limitations of the policy.

Indemnity to others

The indemnity granted extends to:

1. any party who enters into an agreement with the insured for any purpose of the business, but only to the extent required by such agreement to grant such indemnity and subject to sub-section 1 - exclusion 4 (c) and Specific exception 5
2. officials of the insured in their business capacity arising out of the performance of the business or in their private capacity arising out of their temporary engagement of the insured's employees
3. the officers, committee and members of the insured's canteen, social, sports, medical, firefighting and welfare organisation in their respective capacities as such
4. any visiting sports team or member thereof in respect of the activities of any sports club formed by the insured for the benefit of their employees
5. the personal representatives of the estate of any person who would otherwise be indemnified by this policy, but only in respect of liability incurred by such person

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

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Cross liabilities

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

Defence Costs

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

The company will not pay more than R 150 000 (one hundred and fifty thousand Rand) per event or R 250 000 (Two hundred and fifty thousand Rand) in the aggregate any one period of insurance. The insured shall be responsible for the first amount payable of 10% of claim minimum R2 500 (Two thousand five hundred Rand).

These amounts shall be deemed to be included in the highest single indemnity limit available under any one of the sub-sections.

Emergency Medical treatment

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

SUB-SECTION 1 – Public Liability

The insured is indemnified by this sub-section in respect of injury or damage but excluding any claim or claims arising out of those Defined Events that are or can be indemnified under sub sections 2,3 and 4 of this section of the policy whether or not the insured has effected cover under such sections.

Specific Exclusions - Sub-section 1

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

1. the ownership possession or use by or on behalf of the insured of any vehicle, other than claims:
   (a) caused by the use of:
      (i) any tool or plant forming part of or attached to or used in connection with any vehicle
      (ii) any vehicle as a tool of trade
      (iii) a trailer which is not attached to nor has accidentally become detached from a motor vehicle
   (b) arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any vehicle

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(c) for damage to any bridge, weighbridge, road or anything beneath caused by the weight of any vehicle or of the load carried thereon

(d) arising out of any vehicle temporarily in the insured's custody or control for the purpose of parking

(e) arising out of the possession or use by the insured of any vehicle belonging to any rail service provider or any government or quasi-government department, provincial administration, municipality or similar body whilst on any premises permanently occupied by the insured

(f) which form the subject of extensions covering employers liability

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

(a) the insured is compelled to effect insurance or otherwise furnish security, or

(b) the state or other governmental authority has accepted responsibility

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

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

(a) premises (or the contents thereof) temporarily occupied by the insured for work therein or other property temporarily in the insured's possession for work thereon (but no indemnity is granted for damage to the part of the property on which the insured is working and which arises out of such work)

(b) employees' and visitors' clothing and personal effects

(c) premises tenanted by the insured to the extent that the insured would be held liable in the absence of any specific agreement

(d) property belonging to any rail service provider or any government or quasi-government department, provincial administration, municipality or similar body whilst on any premises permanently occupied by the insured

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

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Specific Extensions – Sub-section 1

The total of all payments made under these Extensions will be part of and not in addition to the Limit of Liability. The extensions are also subject to the first amount payable as stated in the Schedule.

1. Damage to leased or rented premises

Notwithstanding Specific exclusion 4 to this Sub-section, the indemnity provided under this Sub-section will extend to include liability for accidental loss of, or damage to premises (including fixtures or fittings) leased or hired by, or rented to the Insured under a written contract or agreement, but this Extension will not apply to liability:

(a) assumed by the Insured under such contract or agreement, which would not have attached in the absence of such contract or agreement, unless agreed to in writing by the Company;

(b) for fire or any other peril against which such contract or agreement requires that insurance is effected;

(c) arising out of breach of any term, condition, or warranty under any other applicable insurance policy.

2. Liability by agreement

This Sub-section will also indemnify the Insured against liability assumed by the Insured under any contract entered into with or given to any rail service provider, government or quasi-government 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.

3. Movement of motor vehicles

Notwithstanding the Specific exclusions applicable to Sub-section 1 and anything else to the contrary in this Sub-section of the Policy and risks insured under the Road Accident Fund Act 56 of 1996 (and/or as amended), this Sub-section is extended to include liability arising through or in connection with the moving of any motor vehicle, trailer or caravan (not being the Insured's property) by any person being an employee or acting on the Insured's behalf; Provided that such movement of motor vehicles, trailers or caravans is undertaken to facilitate the carrying on of the business.

4. Security firms

Notwithstanding anything contained to the contrary in the Specific exclusions to this section of the policy, if in terms of a contract with a security firm engaged to protect the insured property or persons in the course of the Insured's business, the Insured becomes legally liable for the acts or omissions of the employees of the security firm in the course of their employment, then this sub-Section includes such legal liability to the extent that indemnity would have been granted under Sub-section 1, had the said employees been under a contract of service to the Insured and not the security firm, but not exceeding the limit of indemnity stated in the Schedule.

If, at the time of an event giving rise to a claim under this Sub-section, the security firm is entitled to an indemnity under any other Policy in respect of the same event, the Company will not be liable to make any payment except in respect of any amount above the amount payable under such other Policy

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5. Statutory legal defence costs

The Company will pay legal costs incurred by the Insured or at the Insured's request by any director, partner (where the Insured is a partnership) or employee of the Insured for the defence of a prosecution (including an appeal against a conviction) for a breach of statute or amending legislation with similar intent enacted within South Africa, committed or alleged to have been committed during the period of insurance in the course of the business;

Provided that:

(a) the prosecution arises out of an event which is the subject of this Sub-section;

(b) the Company will not be liable for fines or penalties of any kind;

(c) the Insured is not entitled to indemnity under any other Policy;

(d) the proceedings are not consequent upon any deliberate act or omission by:

(i) the Insured;

(ii) any director or partner of the Insured;

(iii) any employee with any specific responsibility for compliance with any legislation

The Statutes

The Occupational Health and Safety Act No. 85 of 1993 (as amended),
The Mines and Works Act No. 27 of 1956 (as amended),
The Electricity Act No. 41 of 1987 (as amended),
and/or any other Act or Ordinance pertaining to the supply of Electricity
all as read in conjunction with the Criminal Procedure Act No. 51 of 1977 (as amended)

Provided always that:

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

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SUB-SECTION 2 – Pollution Liability

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

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

Specific exclusions - Sub-section 2

This sub-section is subject to the exclusions to sub-section 1 insofar as they can apply, and in addition this sub-section does not cover liability for claims arising out of or in connection with any product.

SUB-SECTION 3 - Products Liability And Defective Workmanship Liability

The insured is indemnified by this sub-section against claims for injury or damage arising out of or in connection with any product or defective workmanship resulting therefrom subject always to the provisions of Sub-section 2.

Specific exclusions - Sub-section 3

This sub-section does not cover liability for claims;

1. for costs incurred in the repair, reconditioning, modification or replacement of any product or part thereof which is or is alleged to be defective.
2. for costs arising out of the recall of any product of any part thereof
3. arising out of the failure of any product or part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed unless such failure shall result in injury and/or damage
4. arising out of any product which with the insured's knowledge is intended for incorporation into the structure, machinery or controls of any aircraft
5. arising out of negligent advice in respect of defective workmanship
6. for the cost of rectifying or recalling defective work
7. arising from inefficacy of such work or because the work did not produce the result anticipated or claimed
8. arising prior to the handing over of such work
9. arising from any work on any aircraft or part thereof.
10. arising directly or indirectly from the manufacture, supply, installation, storage, ownership, possession, handling, use, repair, removal, stripping, dismantling, or disposal, of lead, formaldehyde, or polychlorinated biphenyl, or other materials, which the Insured knows, or has reason to suspect, contains lead or formaldehyde or polychlorinated biphenyl.
11. Associated with, or caused by, a system failure, if a system failure forms an identifiable element in the chain of events from which the liability arises, whether or not it is the proximate cause of the liability.

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SUB-SECTION 4 - Negligent Advice

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

Specific exclusions - Sub-section 4

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

1. negligent advice given in respect of any product unless the insured shall have effected cover under Sub-section 3 of this policy
2. financial services and/or cost estimates given by or on behalf of the insured
3. the insolvency of the insured
4. defamation or injuria including that arising from or related in any way to advertising, publishing, broadcasting, or telecasting activities, conducted by or on the Insured's behalf.

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

This section does not cover liability:

1. for any claims where the insured was aware, before inception of this policy, of the circumstances or event which gave rise to the claim or for any claims arising out of dishonesty of the directors, principals or employees of the insured or theft or fraud by any other person
2. occurring prior to the applicable retroactive date stated in the schedule
3. arising out of the deliberate, conscious or intentional disregard by the insured's technical or administrative management of the need to take all reasonable steps to prevent claims
4. arising out of injury to any persons under a contract of employment or apprenticeship with the insured where such injury arises out of the execution of such contract except to the extent and where the insured has elected to purchase employers liability insurance
5. arising out of fines, penalties, punitive or exemplary damages, liquidated damages clauses, penalty clauses or performance warranties except to the extent that it can be proved that liability would have attached in the absence of such clauses or warranties
6. for the applicable first amount payable in respect of each claim or series of claims arising out of one originating cause. The provisions of this clause shall apply to claims arising from damage only and shall also apply to defence costs incurred by the insured.
7. which forms the subject of insurance by any other policy or policies and this policy shall not be drawn into contribution with such other insurance
8. for any claims arising out of any design, formula (other than design or formula of a product), specification or advice of a professional nature given by or on behalf of the Insured in exchange for a fee.

9. Any condition directly or indirectly caused by or associated with Human Immune Virus (HIV) or mutations, derivatives or variations thereof or in any way related to Acquired Immune Deficiency Syndrome (AIDS) or any syndrome or condition of a similar kind howsoever it shall be named.
10. for claims arising out of or which may arise out of or in connection with magnetic and/or electrical fields.
11. arising out of any wrongful act committed by any director and/or officer of the insured For the purposes of this insurance "wrongful act" shall mean any actual or alleged breach of duty, breach of trust, neglect, error, omission, misstatement, misleading statement, mistreatment, breach of fiduciary obligation, libel, slander, wrongful trading, breach of warranty of authority or other legal liability on the part of any director or officer, jointly or severally, which arises solely by reason of the conduct of their duties or their capacity as directors and officers.
12. For pure financial loss, unless such pure financial loss is a direct result of personal injury or loss of, or damage to, property, for which indemnity is provided by this Section of the Policy.

Specific conditions (Specific conditions 1 to 5 below are precedent to the company's liability to provide indemnity under this section of the policy)

1. The insured shall give written notice to the company as set out in General condition 6, but in any event no later than the last day of the period of insurance, of any claim made against the insured (or any specific event or circumstance that may give rise to a claim being made against the insured) and which forms the subject of indemnity under this policy and shall give all such additional information as the company may require. Every claim, writ, summons or process and all documents relating to the claim event or circumstance shall be forwarded to the company immediately they are received by the insured.
2. Notwithstanding specific condition 1, in the event of cancellation or non-renewal of the policy, the insured may report an event in terms of general condition 6 to the company for up to 15 days after cancellation or non-renewal, provided:
   (a) such event occurred subsequent to the retroactive date and prior to the termination of the period of insurance
   (b) any subsequent claim first made in writing against the insured as a result of such event shall be treated as if it has first been made on the last day preceding cancellation or non-renewal
   (c) no insurance in substitution hereof has been purchased by or on behalf of the insured.
3. No admission offer promise or payment shall be made or given by or on behalf of the insured without the written consent of the company which shall be entitled to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute in the name of the insured for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the insured shall give all such information and assistance as the company may reasonably require.
4. The insured shall give notice as soon as reasonably practicable of any fact, event or circumstance which materially changes the information supplied to the company at the time when this policy was effected, and company may amend the terms of this policy according to the materiality of such change.
5. The company may at any time pay to the insured in connection with any claim or series of claims under this policy to which an indemnity limit applies the amount of such limit (after deduction of any sums

already paid) or any lesser amount for which such claims can be settled and upon such payment being made the company shall relinquish the conduct and control of and be under no further liability in connection with such claims.

6. The interpretation of the terms and exceptions of this policy (and any phrase or word contained therein) shall be interpreted in accordance with the law of the Republic of South Africa.
7. Where the premium is provisionally based on the insured's estimates, the insured shall keep accurate records and after expiry of the period of insurance declare as soon as possible such details as company require. The premium shall then be adjusted and any difference paid by or allowed to the insured as the case may be subject to any minimum premium that may apply.

Extensions

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

Wrongful arrest

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

Provided always that:

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

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Defamation

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

Provided always that:

1. no indemnity shall be granted in respect of claims:
   (a) which form the subject of the wrongful arrest extension
   (b) arising out of any publication in any journal, magazine or newspaper or on radio or on television or on the internet or on any form of social media.
2. the amount payable under this extension, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with the company's consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule or R250 000 whichever the lesser.

E.U. liability (if stated in the schedule to be included)

Subject otherwise to the terms and 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 or any European Free Trade Associations (E.F.T.A.) country.

1. In respect of these goods or products (other than raw materials), the insured 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. 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 1, together with all supporting documentation, shall be made available to the company or their nominee at any time on request.
3. In respect of this indemnity, the insured shall be responsible for the first amount payable shown in the schedule for this extension.

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Extended Reporting Option (if stated in the schedule to be included)

(May only be exercised by the insured in the event of non-renewal of this section of the policy)

In the event of non-renewal of this section of this policy, at the option of the insured, any claim first made against the insured arising from any claim or circumstance of which notice is required to be given in terms of Specific condition 1, the company agrees that notice given within 48 months (hereinafter referred to as the extended reporting period) immediately following the expiry of this insurance shall be deemed to have been made on the last day preceding the expiry. Provided that:

1. this option may only be exercised in the event of the company cancelling or refusing to renew this policy;
2. the insured has not obtained insurance equal in scope and cover to this policy as expiring providing indemnity in respect of such claim;
3. the company shall only be liable for an insured event which occurred after the retroactive date but prior to the expiry of the period of insurance;
4. if the claimant is a minor this extended reporting period will continue until the expiry of 12 months after the attainment of majority by the claimant;
5. the total amount payable by the company for claims made or reported events during the extended reporting period shall not have the effect of increasing the indemnity limit applicable on the last day preceding the non-renewal;
6. this option must be exercised by the insured in writing within 15 days of cancellation or non-renewal and the required premium paid within 30 days of demand;
7. once exercised, the option cannot be cancelled by either the insured or the company.

Spread of Fire (if stated in the schedule to be included)

The Insurer will indemnify the Insured for all reasonable expenses but not exceeding the limit of liability stated in the schedule, incurred by the Insured arising out of Injury or Damage caused by the spreading of fire from the Insured's plantation or agricultural land onto property belonging to others providing that the Insured complies with all the requirements contained in the National Veld and Forest Fire Act № 101 of 1998 and as amended.

African Territories (if stated in the schedule to be included)

In respect the insured's operations in Africa outside of the Republic of South Africa, limited to those territories appearing under "Definitions", the indemnity provided by this section is limited to the difference between the scope of cover or the difference between the limit of indemnity provided by any insurer in the territory in which the operation is situated and the indemnity available in terms of this section. Where this section responds in excess of indemnity provided in terms of such locally purchased liability insurance:

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

insured in terms of this section is purchased locally, this section shall act as primary insurance subject to the first amount payable stipulated in the schedule

provided that such cover will only apply:

(a) to claims made against the insured during the period of Insurance; and

(b) in respect of liability arising from any Injury and/or damage which results in a claim or series of claims first being made against the insured in writing during the period of insurance or on or after the retroactive date shown in the schedule.

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EMPLOYER'S 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.

The limit 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

(a) liability assumed by the insured under any contract, undertaking or agreement where such liability would not have attached to the insured in the absence of such contract, undertaking or agreement

(b) liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event

(c) fines, penalties, punitive, exemplary or vindictive damages

(d) (i) damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland

(ii) costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in (d)(i) above

(e) any claim arising from an event known to the insured

(i) which is not reported to the company in terms of General condition 6

(ii) prior to inception of this section

(f) any claim (in the event of cancellation or non-renewal of this section) not first made in writing against the insured within the 48-month period (or extended period in respect of minors) as specified in Specific Condition 2.

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Specific conditions

1. Any claim first made in writing against the insured as a result of a defined event reported in terms of General condition 6 (hereinafter termed reported event) shall be treated as if it had first been made against the insured on the same day that the insured reported the event to the company.

2. In the event of cancellation or non-renewal of the policy

   (a) any claim resulting from a reported event, first made in writing against the insured during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against the insured on the same day that the insured reported the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant.

   (b) the insured may report an event in terms of General condition 6 to the company for up to 15 days after cancellation or non-renewal, provided that

      (i) such event occurred during the period of insurance

      (ii) any subsequent claim first made in writing against the insured as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 48 month period specified in 2(a) above.

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

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

   or

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

Extensions

Extended reporting option

At the option of the insured and subject to payment of an additional premium to be determined and subject to all the terms, exceptions and conditions of this section, the company agrees to extend the period during which the insured may report an event in terms of General condition 6 for a period to be agreed, but in no circumstances exceeding 36 months (hereinafter referred to as extended reporting period)

provided that

(a) this option may only be exercised in the event of the company cancelling or refusing to renew this section

(b) this option must be exercised by the insured in writing within 30 days of cancellation or non-renewal

(c) once exercised, the option cannot be cancelled by either the insured or the company

(d) the insured has not obtained insurance equal in scope and cover to this section as expiring

(e) the company shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal

(f) claims first made against the insured or any reported events by the insured 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 the company for claims made or reported events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable 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 the insured 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.

Principals

Where a principal and the insured are liable for the same damages and where any contract or agreement between a principal and the insured so requires, the company will, notwithstanding the aforementioned Specific exception (a) above, indemnify the principal in like manner to the insured but only so far as concerns the liability of the principal to an employee as aforementioned for death or bodily injury to or illness of such person resulting from the negligence of the insured or the insured's employees

provided that

(a) in the event of a claim in terms of this extension, the insured shall endeavour to arrange with the principal for the conduct and control of all claims to be vested in the company

(b) the principal shall, as though he were the insured fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this policy in so far as they can apply

(c) the liability of the company 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."

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STATED BENEFITS & GROUP PERSONAL ACCIDENT

Defined events

Bodily injury caused by accidental, violent, external and visible means to any principal, partner, director or employee of the insured (hereinafter in this section referred to as such person) specified in the schedule.

The company will pay to the insured, on behalf of such person or his estate, the compensation stated in the schedule in the event of accidental bodily injury to any such person directly and independently of all other causes resulting within 24 calendar months in death or disability as specified in the schedule under the heading circumstances.

Definitions

		Percentage of compensation
Permanent Disability shall mean		
(a)	loss by physical separation at or above the wrist or ankle of one or more limbs	100
(b)	permanent and total loss of	
	whole eye	100
	sight of eye	100
	sight of eye except perception of light	100
(c)	permanent and total loss of hearing	
	both ears	100
	one ear	25
(d)	permanent and total loss of speech	100
(e)	injuries resulting in permanent total disability from following usual occupation or any Other occupation for which such person is fitted by knowledge or training	100
(f)	loss of four fingers	70
(g)	loss of thumb	
	both phalanges	30
	one phalanx	15
(h)	loss of index finger	
	three phalanges	15
	two phalanges	10
	one phalanx	5
(i)	loss of any other finger	
	three phalanges	10
	two phalanges	8
	one phalanx	4
(j)	loss of metacarpals	
	first or second (each metacarpal)	3
	third, fourth or fifth (each metacarpal)	2

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Percentage of compensation

(k) loss of toes

all on one foot 30

great, both phalanges 10

great, one phalanx 5

other than great, if more than one toe lost, each 5

(l) Permanent disfigurement resulting from accidental external burns to the epidermis of the body as follows;

The head and neck, provided that the total area affected exceeds 20% of the total area of the head and neck

..... A percentage of the compensation in direct proportion to the area affected

The hands provided that the total area affected exceeds 20% of the total area of the hands

..... A percentage of the compensation in direct proportion to the area affected but subject to a maximum of 50%

All other areas of the body provided that the total area affected exceeds 5% of the total area of the body

..... A percentage of the compensation in direct proportion to the area affected but subject to a maximum of 50%

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Memoranda

(i) Where the injury is not specified, the company will pay such sum as, in their opinion, is consistent with the above provisions.

(ii) Permanent total loss of use of part of the body shall be treated as loss of such part.

(iii) 100% (one hundred percent) shall be the maximum percentage of compensation payable for permanent disability resulting from an accident or series of accidents arising from one cause in respect of any one such person.

(iv) if a claim for loss of part of the body is payable under definitions (a) to (k), compensation under definition (l) shall not be payable in respect of the same part of the body, unless the percentage of compensation due under (l) is greater than the percentage of compensation payable under (a) to (k).

Temporary total disability shall mean total and absolute incapacity from following usual business or occupation.

Medical expenses shall mean all costs and expenses necessarily incurred for artificial aids, prostheses, medical, surgical, dental, nursing home or hospital treatment (including costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) as a result of bodily injury and incurred within 24 months of the defined event.

***Cover under the medical expenses section of this policy is only applicable to the extent that it is legally permissible and not in breach of the demarcation regulations published relative to section 70 (2A) of the Short Term Insurance Act – Government notice 1582**

Annual earnings shall mean the annual rate of wage, salary and cost of living allowance being paid or allowed by the insured to such person at the time of accidental bodily injury, plus overtime, house rents, food allowances, commissions and other considerations of a constant character paid or allowed by the insured to such person during the 12 months immediately preceding the date of accidental bodily injury.

Average weekly earnings shall mean one fifty-second part of annual earnings.

If the insured person has not been in continuous employ of the insured for 12 calendar months, the amount to be added for overtime, house rents, food allowances, commissions and other considerations of constant character shall be the average monthly amount earned during the period of employment multiplied by 12.

Business limitation (if stated in the schedule to be applicable)

This section applies only in respect of accidental bodily injury to such person arising from and in the course of his employment in the business.

Provisos

It is declared and agreed that

1. the company shall not be liable to pay, for death or disability resulting from an accident or series of accidents arising from one cause in respect of any one such person, more than the compensation payable for death or permanent disability (whichever is the higher) plus any compensation payable for temporary total disability and medical expenses and in respect of any extensions which are applicable;
2. the compensation specified for temporary total disability shall be payable for not more than the number of weeks stated in the schedule 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;

3. unless otherwise provided herein, this section shall not apply to any such person under 15 or over 75 years of age;
4. any compensation payable by the company for any period of temporary total disability or for medical expenses shall be reduced by an amount equal to the compensation received or receivable by or on behalf of such person under any workmen's compensation enactment for temporary disability for the same or a lesser period or in respect of medical expenses;
5. after suffering accidental bodily injury for which compensation may be payable under this section, such person shall, when reasonably required by the company so to do, 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;
6. General conditions 2 and 9 do not apply to this section;
7. in respect of this section only, General exception 1 is deleted and replaced by the following:

This section does not cover death or injury 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.

Extensions

Exposure

Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements, directly or indirectly resulting from mishap and/or misfortune.

Disappearance

In the event of the disappearance of any such person in circumstances which satisfy the company that he has sustained injury to which this section applies, and that such injury has resulted in the death of such person, the company will, for the purposes of the insurance afforded by this section, 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.

Life support machinery

Notwithstanding anything contained in the defined events, the 24-month period stated therein shall not include any period or periods where the death of such person is delayed solely by the use, for periods of not less than 3 consecutive days, of life support machinery, equipment or apparatus.

Repatriation

If there is a valid claim for death or serious accidental bodily injury, the company will also pay the reasonable and necessary expenses incurred in the repatriation of the insured person (or the body of the Insured Person in the event of his death) to his normal place of residence, provided that:

(a) the liability of the company in respect of each and every claim shall not exceed R10 000 for any one insured person.

(b) if there is a claim for serious accidental bodily injury, the prior consent of the company to repatriate the insured person must be obtained. Such consent will not be unreasonably withheld.

Emergency Transportation/Search and Rescue

The company will pay costs and expenses necessarily incurred for:

(a) emergency transportation;

(b) search and rescue, including freeing and bringing an insured person to a place of safety as a result of, or in order to prevent, accidental bodily injury to an insured person, provided that:

  (i) the company will not be liable if an insured person is found in circumstances which are unlikely to result in accidental bodily injury;

  (ii) the maximum amount payable by the company will be R20 000 any one insured person for each and every claim.

Hi-jacking, Abduction or Kidnapping

If there is an unlawful seizure or wrongful exercise of control of any aircraft or conveyance (including the crew thereof) in which the insured person is travelling, or if the insured person is abducted or kidnapped, the cover in terms of this Section shall continue in force for the duration of such an occurrence, or 12 months from the date of such occurrence, whichever is the lesser period.

If Temporary Total Disability is insured, the company will regard the hi-jacking, abduction or kidnapping of an insured person as a claim for Temporary Total Disability, provided that:

(a) the company's liability is limited to the period of hi-jacking, abduction or kidnapping or eight weeks, whichever is the lesser;

(b) no compensation shall be payable if any member of the insured persons immediate family is involved in the hi-jacking, abduction or kidnapping as a principal or accessory.

Trauma Counselling

The company will pay for costs incurred by any insured person undergoing treatment by a registered psychologist following such insured person being psychologically traumatised as a direct result of violence or threat of violence during theft, attempted theft or hijack, provided that the liability of the company for such costs is limited to 5% of the Death Benefit shown in the schedule in respect of any one claim or series of claims from one event.

Mobility

When the company has admitted a claim for permanent disability and if as a direct result of that disability the insured person is permanently dependent on a wheelchair for mobility, the company will, in addition to any amount payable for Permanent Disability, pay for:

(a) a self-propelled wheelchair;

(b) the fitting of wheelchair loading equipment and alterations to the insured person's private residence to facilitate the use of such wheelchair;

(c) the modification of the controls to the insured persons motor vehicle;

provided that the liability of the company for such costs resulting from an accident or series of accidents arising from one cause shall not exceed R20 000 for any one insured person.

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Rehabilitation

Where the company have admitted a claim for permanent disability, if as a direct result of that disability an insured person is unable to follow his usual business or occupation but can be retrained to carry out another business or occupation, the company will, in addition to any permanent disability benefit agreed, pay 80% of the retraining costs, plus any costs incurred in adjusting the insured persons workplace, provided that the maximum amount payable by the company in respect of an accident or series of accidents arising from one cause will not exceed R20 000 for any one insured person.

Specific exceptions

The company shall not be liable to pay any claim under this section in respect of any insured person:

(a) while he/she is travelling by air other than as a passenger and not as a member of the crew or for the purpose of any trade or technical operation therein or thereon;

(b) by his/her suicide or intentional self injury;

(c) caused solely by an existing physical defect or other infirmity of such person;

(d) as a result of the influence of alcohol, drugs or narcotics upon such person unless administered by a member of the medical profession (other than himself) or unless prescribed by and taken in accordance with the instructions of a member of the medical profession (other than himself);

(e) as a result of his/her participation in any riot, civil commotion or terrorism;

(f) in the case of females, directly or indirectly resulting from or prolonged or accelerated by or attributable to pregnancy, childbirth, abortion, miscarriage, obstetrical procedures or any sequel thereof;

(g) while he/she is, or as a result of his/her, engaging in

  (i) motor cycling, motor quadrucycling or motor tricycling (whether as a driver or passenger) other than on the business of the insured

  (ii) racing of any kind involving the use of any power-driven vehicle, vessel or craft or any kind of speed contest other than by foot.

  (iii) mountaineering necessitating the use of ropes, winter sports involving snow or ice, polo on horseback, steeplechasing, professional football or hang-gliding.

  (iv) regular naval, military or airforce service or operations

  (v) any professional sports

  (vi) where accidental death, permanent disability, temporary total disability is as a result of chemical or biological substances unless such chemicals or substances are used for peaceful means.

  (vii) where accidental death, permanent disability, temporary total disability is as a result of an infectious epidemic.

Limit Any One Person/Conveyance/Premises/Situation

The company liability in respect of:

1. death and permanent disability shall not exceed R5 000 000 any one insured person in respect of any one accident or series of accidents arising from one cause;
2. compensation for all persons insured under both the Group Personal Accident and the Stated Benefits sections of this policy while travelling in any one conveyance or while at any one premises or situation may not exceed R10 000 000.

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MOTOR

SUB-SECTION A - Loss or damage

Defined events

Loss of or damage to any vehicle described in the schedule and its factory fitted accessories and spare parts (and in addition those accessories and spare parts as provided for in memorandum 6 below) spare parts whilst thereon. In addition, if such vehicle is disabled by reasons of any loss or damage insured hereby, the company will pay the reasonable cost of protection and removal to the nearest repairers not exceeding R2 500 (in respect of private type motor vehicles, 4x4 type vehicles and light delivery vehicles) and R5 000 (in respect of vehicles in excess of 3,500kg) and the insured may give instructions for repairs to be executed without the prior consent of the company to the extent of but not exceeding R5 000, provided that a detailed estimate is first obtained and immediately forwarded to the company. The company will also pay the reasonable cost of delivery to the insured, after repair of such loss or damage, not exceeding the reasonable cost of transport to the permanent address of the insured in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

provided that

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

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Exceptions to sub-section A

The company shall not be liable to pay for

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

(b) damage to tyres and rims by application of brakes, by road punctures and pot holes, cuts or bursts unless some other part of the vehicle is damaged at the same time.

(c) damage to springs/shock absorbers due to inequalities of the road, pot holes or other surface or to impact with such inequalities other than as specifically provided herein;

(d) any loss or damage where the vehicle has been stolen by another party under false pretences and trickery.

SUB-SECTION B - Liability to third parties

Defined events

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

(i) death of or bodily injury to any person, but excluding death of or bodily injury to the insured or to any person in the employ of the insured arising from and in the course of such employment or being a member of the same household as the insured

(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.

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

1. pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this sub-section, or for defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any event which may be the subject of indemnity under this sub-section, provided that the total of the company's liability under both this extension and sub-section B shall not exceed the limit of indemnity stated to apply to sub-section B

2. indemnify any person who is driving or using such vehicle on the insured's order or with the insured's permission provided that

   (a) such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this insurance in so far as they can apply

   (b) such person driving such vehicle has not been refused any motor insurance or continuance thereof by any insurer

   (c) indemnity shall not apply in respect of claims made by any member of the same household as such person

   (d) such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder

3. indemnify the insured while personally driving or using any private type motor car not belonging to him and not leased or hired to him under a lease or suspensive sale agreement, provided the insured is an individual and has insured hereunder a vehicle described under definition (a) or (b) and provided the company shall not be liable for damage to the vehicle being driven or used

4. indemnify the insured in respect of liability arising from the towing by a vehicle (other than for reward) of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided the company shall not be liable for damage to the towed vehicle or trailer or to property therein or thereon.

Exceptions to sub-section B

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

(a) so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply notwithstanding that no insurance under such enactment is in force or has been effected

(b) death of or injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in definition (b), (c), (d), (e) (f) at the time of the occurrence of the event from which any claim arises (except any person being carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1500kg)

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

Limits of indemnity

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

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SUB-SECTION C - Medical expenses

Defined events

If an occupant in the specified part of a vehicle described below, in direct connection with such vehicle, sustains bodily injury by violent, accidental, external and visible means, the company will pay to the insured the medical expenses incurred as a result of such injury up to R2 000 per injured occupant but not exceeding R25 000 in total for all occupants injured as a result of an occurrence or series of occurrences arising out of one event.

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

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

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

Cover under the medical expenses section of this policy is only applicable to the extent that it is legally permissible and not in breach of the demarcation regulations published relative to section 70 (2A) of the Short Term Insurance Act – Government notice 1582

Definitions

1. Occurrence

The term 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.

2. Vehicle

The term vehicle shall mean

(a) private type motor cars (including station wagons, 4x4's, safari vans, estate cars, kombis, mini buses and the like or similar vehicles designed to seat not more than 12 persons including the driver)

(b) Light delivery vehicles and special type vehicles as described in the schedule not exceeding 3500kg

(c) commercial, heavy commercial vehicles (exceeding 3500kg) and special type vehicles as described in the schedule.

(d) motor cycles (including motor scooters, quad bikes and 3-wheeled vehicles)

(e) buses (including any vehicle used for business purposes and designed to seat more than 12 persons, including the driver)

(f) trailers and caravans, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle, but excluding any parts or accessories not permanently fitted thereto

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

Extensions

1. Contingent liability extension (if stated in the schedule to be included)

The indemnity under sub-section B includes claims made against

(a) the insured in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of or provided by the insured, while being used by any partner or director or employee of the insured, or by a parent/guardian of a learner if the insured is an educational institution or by an authorised member of the congregation if the insured is a religious body, (hereinafter in this extension referred to as such person);

(b) any such person in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to him or to the insured or leased or hired by either of them, but only in so far as such person has not been refused any motor insurance or continuance thereof by any insurer;

provided that

(i) all the words in (b) of the exceptions to sub-section B are deleted

(ii) the company shall not be liable for loss of or damage to any motor vehicle being used for the purposes and in the manner described in (a) and (b) above

(iii) the payment by the insured of subsidies or travelling allowances to such person for the use of his own vehicle for official purposes of the insured, including the carriage of persons for such purposes, is allowed without prejudice to the insurance by this extension

(iv) if, at the time of the occurrence of any accident giving rise to a claim under this extension, the insured or such person is entitled to indemnity under any other policy in respect of the same occurrence, the company shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other policy

(v) the terms, exceptions and conditions of the policy shall otherwise apply.

2. Passenger liability extension (if stated in the schedule to be included)

Exception (b) to sub-section B shall not apply to vehicles described in definition (b), other than special types, or in definitions (d), (e) or (f). The limit of indemnity for any one occurrence shall not exceed the amount stated in the schedule.

3. Unauthorised passenger liability extension (if stated in the schedule to be included)

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

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4. Parking facilities and movement of third party vehicles extension (if stated in the schedule to be included)

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

(a) with the authority of any tenant, customer or visitor of the insured or

(b) in connection with the insured's parking arrangements or

(c) to facilitate the carrying out of the insured's business,

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

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

5. Windscreen extension

The provisions of this section relating to first amount payable shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle

provided that

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

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

6. Waiver of subrogation rights

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

7. Principals

Notwithstanding specific exception 2 of this section, the indemnity under sub-section B extends to indemnify, to the extent required by the conditions of any engineering and construction contracts (such as the International Federation of Consulting Engineers, Joint Buildings Contracts Committee, New Engineering Contract, Government Certificate of Competency), and in connection with any liability arising from the performance of such contract, any principal named in such contract entered into by the insured for the purposes of the business, provided that the liability of the company shall not exceed the limit of indemnity stated in the schedule.

8. Cross liabilities

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

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9. 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.

10. Loss of keys extension (if stated in the schedule to be included)

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

(i) the company's liability shall not exceed, in respect of any one event, the amount stated in the schedule

(ii) such amount shall be reduced by the first amount payable stated in the schedule.

The provisions of this section relating to first amount payable shall not apply to this extension.

11. Fire extinguishing charges extension

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

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12. Wreckage removal extension (if stated in the schedule to be included)

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

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

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

(a) any arrear instalments or rentals including interest payable on such arrears

(b) the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled

(c) the first amount payable under sub-section

provided always that

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

(ii) if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

14. Car Hire extension (if stated in the schedule to be included)

The company agrees to arrange a courtesy car for the use of the insured during the period that

the insured is deprived of the use of an insured vehicle as a result of it being disabled and undergoing repair or having been stolen.

Provided that:

(a) Liability for a claim for loss or damage to an insured vehicle has been admitted by the company

(b) The courtesy car shall not be superior to the category of vehicle stated in the schedule or for which the insured has paid additional premium for this cover.

(c) The Company shall not be liable under this extension for any period exceeding 30 days after the date of commencement of repairs or the date of theft or for any period after the company has discharged its liability for the claim.

(d) The company shall not be liable for costs of fuel, e-tolls, service fee's, fines, delivery/collection fees or lubricants

LOMBARD
Commercial

Memoranda

1. Premium adjustment clause

If this section is issued on a non-specified vehicle basis, the insured shall submit to the company at the end of each period of insurance a declaration of the total number of vehicles owned, hired or leased at such expiry date.

The company shall, upon receipt of this declaration, make a premium adjustment of 50% of the annual rate per vehicle applied to the difference in the number of vehicles at inception or renewal and the number declared.

2. 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.

3. Description of use clause

Use for social, domestic and pleasure purposes and use for the business or occupation of the insured excluding hiring, carriage of passengers for hire or carriage of fare-paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry or use for any purpose in connection with the motor trade. The indemnity to the insured in connection with any vehicle shall operate while such vehicle is in the custody or control of a member of the motor trade for the purpose of its overhaul, upkeep or repair.

4. Limited description of use clause (vehicles used for private use only)

Where the description of use is shown as private the description of use clause is restated as follows:

Use for social, domestic and pleasure purposes including travel to and from usual place of work as well as to seminars, training and conference venues excluding use for business or occupation of the insured, hiring, carriage of passengers for hire or carriage of fare-paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry or use for any purpose in connection with the motor trade. The indemnity to the insured in connection with any vehicle shall operate while such vehicle is in the custody or control of a member of the motor trade for the purpose of its overhaul, upkeep or repair.

5. Pre-inspection of vehicle

The company reserves the right to require the insured to undertake an inspection of the insured vehicle by an inspection agent approved by the company.

6. Tracking devices

(a) All Vehicles with a sum insured of R400 000 (including value added tax) and greater must be fitted with an early warning tracking and recovery system which must be kept in working order. Should the vehicle not be fitted with an operational early warning tracking device at the time of the loss, an additional first amount payable of 10% will apply.

(b) The company reserves the right to request a tracking device to be fitted to certain makes of vehicles regardless of the sum insured. Where the company has requested that a tracking device be fitted and the insured does not comply the company shall not be liable in respect of any loss or damage resulting out of theft or hijacking.

(c) The onus is on the insured to ensure that the service agreement with any such tracking company is maintained at all times and that in the event for any reason the insured;

(i) cancels its service agreement

(ii) fails to pay any subscription due under that agreement

(iii) fails to ensure that the vehicle is linked up to the tracking service and that the vehicle tracking unit is operational and armed at all times

Then the insured will be required to pay an additional first amount payable of 5% of claim.

7. Accessories and Extras

The company shall not be liable in respect of loss or damage to any non-factory fitted and after-market accessory and/or extra which has not been specifically noted in the policy schedule to be included. The sum insured noted in the schedule must make provision for the non-factory fitted accessories and extras.

8. Vehicle Towing and Storage (Private Type Motor Vehicles, 4x4 Type Vehicles and Light Delivery Vehicles

In respect of private type motor vehicles, 4x4 type vehicles and light delivery vehicles comprehensively insured the words 'the company will pay the reasonable cost of protection and removal to the nearest repairers' are deleted from the Defined events under sub-section A Loss or damage of this section and replaced by the Assistance Service Programmes section of this Policy.

If such vehicle is disabled by reasons of any loss or damage insured hereby and the assistance program is not utilised, the company will pay the reasonable cost of protection and removal to the nearest repairers without the prior consent of the company to the extent of but not exceeding R2 500. Any amount exceeding R2 500 will be for the insureds' own account.

9. Constructive total loss

A constructive total loss shall mean that the cost for repair of an insured vehicle is more than 70% of the retail value of that vehicle.

Optional limitations

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

Sub-sections A and C are cancelled.

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

The liability of the company under sub-section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, sub-section C is cancelled.

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Specific exceptions

1. The company shall not be liable for any accident, injury, loss, damage or liability

   (a) whilst the vehicle is being used with the general knowledge and consent of the insured otherwise than in accordance with the description of use clause

   (b) incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique, but the insurers will indemnify the insured against loss of or damage to any vehicle while in transit by sea or air between ports or places in these territories including loading and unloading incidental to such transit

   (c) incurred while any vehicle is being driven or used by

      (i) the insured while under the influence of an intoxicating substance (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or has failed a breathalyser test or whilst the concentration of alcohol in the insured's bloodstream exceeds the legal limit as prescribed by Section 65 of the Road Traffic Act (or as amended) or is under the influence of drugs having a narcotic effect

      (ii) any other person with the general consent of the insured who, to the insured's knowledge, is under the influence of an intoxicating substance (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or has failed a breathalyser test or whilst the concentration of alcohol in such person's bloodstream exceeds the legal limit as prescribed by Section 65 of the Road Traffic Act (or as amended) or is under the influence of drugs having a narcotic effect

      (iii) the insured or any person (with the consent and knowledge of the insured) unless licensed to drive the vehicle and in possession of a valid driving license in terms of legislation applying to the territory in which the vehicle is being used. If a license is subject to renewal the driver must have held and not be disqualified from holding or obtaining such a license. If the license is not renewed within 6 months of due date, no claim shall be entertained under this section of the policy. This exception will not apply if the vehicle is being driven by the insured (or any other person with the insured's consent) while learning to drive and complying with any legislation relating to learner drivers

      (iv) or is under the control for the purpose of being driven by a person who does not hold a current valid Professional Driving Permit (PrDP) to drive such a vehicle as required in terms of the National Road Traffic Amendment Act of 1998 as amended) – [Regulation 251 (1)].

      This exception applies if the said person has held a PrDP but has not renewed it and is applicable to all drivers of

      1. goods vehicles with a GVM exceeding 3,500 kg
      2. breakdown vehicles
      3. buses
      4. mini-buses with a GVM exceeding 3,500 kg or with 12 or more seats (including the driver)
      5. motor vehicles conveying persons for reward
      6. motor vehicles conveying more than 12 persons

but this shall not apply if the insured was unaware that the driver was unlicensed and the insured can prove to the satisfaction of the company that, in the normal course of his business, procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles provided that any driver shall be deemed to be licensed to drive the vehicle if he is complying with the licensing laws relating to any of the territories referred to under Specific exception (b) 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) or is in a condition which does not comply with the provisions and regulations of The Road Traffic Ordinances of the Republic of South Africa and includes any other related legislation or any similar legislation which applies to the territories as stated in the schedule.

(d) arising from contractual liability, unless such liability would have attached to the insured notwithstanding such contractual agreement.

Specific conditions

1. If, during the currency of this section, any driver's license in favour of the insured or his authorised driver is endorsed, suspended or cancelled, or if he or they shall be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to the company immediately the insured has knowledge of such fact.
2. All benefits under this policy shall be forfeited if any vehicle, at the time of any accident giving rise to a claim in terms of this policy, is found not to be in possession of a valid Roadworthy Certificate and/or Operator's Card, or any driver is not in possession of a valid Public Roads Driving Permit in terms of the requirements of the Road Traffic Act of 1989 or any replacement thereof.
3. It is warranted that any vehicle(s) in connection with which insurance is granted under this policy, or any part thereof or any trailer and caravan attached thereto or forming part of a train of trailers drawn thereby or any part of such trailer or trailers (all of which are here referred to as the "insured vehicle") complies in all respects with the requirements of roadworthiness as set out in the Road Traffic Act of 1989, or any provincial or local proclamation or statute which is applicable to the insured vehicle, failing which no benefit shall be payable under this policy, whether or not the vehicle's lack of roadworthiness was a cause or contributed to the occurrence giving rise to such a claim.

Repatriation clause

The company will indemnify the insured in terms of Sub-section A of this section of the policy whilst vehicles are travelling outside the borders of South Africa subject to the following exclusions:

(a) the costs of recovery and towing to the South African border

(b) the costs of any parts stripped from the vehicle whilst left unguarded at the scene of any accident outside either the borders of South Africa or whilst in transit in South Africa.

(c) Sub-section B – Liability to Third Parties

(d) All and any government imposed duties, customs, charges or stamps

If following an accident the insured vehicle is not returned to South Africa and it is declared by the company to be constructive total loss outside South Africa then:

(a) The company will settle the claim for the estimated cost of repairs or the retail value preceding the loss and the sum insured less:

(i) The first amount payable

(ii) The value of salvage calculated on what would have been released in South Africa if the vehicle had been recovered

(iii) On payment of the amount under (a) (ii) above the salvage will belong to the insured

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Commercial

ELECTRONIC EQUIPMENT

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 within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi;

(d) temporarily anywhere in the world only in respect of laptops, notebooks and tablets.

Definition

Electronic data processing equipment is limited to computers and all related hardware, peripherals and computer software.

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 and any damage arising out of the testing or commissioning of the property
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 or as a result of its inherent vice or defect, vermin, insects, damp, mildew or rust

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. This exclusion shall not apply to portable electronic equipment individually specified in the schedule of this section.

   (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.

10. 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) 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 and 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 percent) for the first year after the date of purchase

and

(ii) 10% (ten percent) per year for each succeeding year

subject always to a minimum indemnity of 40% (forty percent) 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 15% 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 15% 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.

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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, but not exceeding R2 000 per occurrence. 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.

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(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 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.

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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 effected to the property insured on the occasion of its repair,

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

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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 10 km 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.

Special exception (sub-sections 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 extension

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), (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 subsections 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% (twenty percent) 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

Theft from Locked Boot

The company shall not be liable for loss or damage caused by theft or attempted theft of equipment from an unattended motor vehicle unless such equipment is placed in a locked boot which shall be locked, and the theft or attempted theft is accompanied by forcible and violent entry into the boot. Where such property cannot be secured in a locked boot due to the design of the vehicle it must be concealed in such a manner that it is completely undetectable to the naked eye and the loss or damage to such property shall be accompanied by forcible and violent entry into the vehicle, or the vehicle itself is housed in a securely locked building and entry to such locked vehicle or building is accompanied by forcible and violent entry or exit.

Remote Jamming

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

Where there is no proof as stated above the cover will be limited to R10 000 per incident less the excess applicable or whichever the lesser.

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MOTOR TRADERS

SUB-SECTION A –

Defined events

Loss of or damage

The company will indemnify the insured against loss or damage to any vehicle as defined arising in the course of the Insured's business including its accessories and spare parts whilst therein or thereon but excluding (unless supplied by the manufacturer when new) car radios, tape players, compact disc players or any sound equipment, and occurring whilst the vehicle is:

(a) on the road.

(b) within or about the premises of the insured as specified in the schedule.

(c) whilst temporarily garaged during the course of a journey elsewhere other than in or on any business premises owned and/or occupied by the insured within the territorial limits.

Limits of indemnity

Unless otherwise stated the maximum amount payable by the company for the vehicle will be the limit of indemnity stated in the schedule or the reasonable retail value of the vehicle at the time of loss or damage whichever is the lesser.

Motor dealers limit of indemnity

Unless otherwise stated the maximum amount payable by the company for the vehicle will be the value as stated in the books of the dealer reflecting the purchase price including any additional costs paid in order to maintain the road worthiness of the vehicle or the limit of indemnity stated in the schedule at the time of loss or damage or whichever is the lesser.

Repair, reinstate or replace

The company may at its own option repair, reinstate or replace such insured vehicle or any part thereof and/or the spare wheels, tools, accessories and spare parts as mentioned above thereof or may pay in cash the amount of the loss or damage but not exceeding the amount stated in the schedule.

Protection and repair of vehicle

a) If insured damage occurs the company will pay the reasonable cost of protection and removal to the nearest repairer including the reasonable cost of delivery to the insured after repair of such damage but not exceeding the reasonable cost of transport to the insured's premises within the territorial limits.

b) The insured may authorise repairs up to R2 000 without the consent of the company provided a detailed quotation is first obtained and forwarded to the company.

The company shall not be liable for more than R7 500 in aggregate in respect of a) and b) above.

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Definitions

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

1. "**Accessories**" – all accessories or parts not supplied by the manufacturer as a standard fitment but as an aftermarket fitment.
2. "**Damage**" – physical damage to the vehicle
3. "**Damages**" – shall include costs and expenses :
   (i) recoverable at law by a claimant from the insured
   (ii) incurred with the consent of the company
4. "**Employee**" – shall mean any person employed by the insured and acting in the course of the business
5. "**Injury**" – shall mean bodily injury including death and illness
6. "**Loss**" – disappearance, loss through theft, hold up or hijack.
7. "**Premises**" – The premises of the insured stated in the schedule.
8. "**Property**" – shall mean tangible property
9. "**Territorial Limits**" – shall mean the Republic of South Africa, Namibia, Botswana, Lesotho, Malawi, Swaziland and Zimbabwe.
10. "**The Vehicle**" – shall mean :
    (i) any motor vehicle, motor cycle, scooter, quadbike or trailer owned by or hired or leased to the insured (excluding any vehicle the property of the insured other than trading stock and hired or sold by the insured under a hire-purchase or similar agreement) unless such vehicle is in the custody or control of the insured at the time of the occurrence of the event out of which any claims arises.
    (ii) Any motor vehicle, motor cycle, scooter, quadbike or trailer in the custody or control of the insured other than a motor vehicle, motor cycle, scooter, quadbike or trailer described in 10 (i) herein after referred to as customers vehicles.
    (iii) Any vehicle (mechanically propelled or otherwise) attached to a vehicle covered under 10 (i) for the purpose of being towed or salvaged.

Description of use

The vehicle as defined in definitions above may only be used for:

1. the insureds business as stated in the schedule.
2. tuition provided by the insured subject to the licensed learner being accompanied by a fully licensed insured, director or employee of the business.
3. demonstration subject to the fully licensed driver being accompanied by a fully licensed insured, director or employee of the business
4. social domestic and pleasure purposes (whether such use is incidental to the business of the insured or not) by any person whose name is mentioned in the policy schedule.

Provided that the company shall not be liable in the event of:

1. the vehicle being hired out or used as a taxi for public or private hire
2. the carrying of fare paying guests or passengers.
3. pace making, racing, rallies, off roading, speed or time trials or taking part in contests.
4. vehicles carrying explosives and/or hazardous goods.
5. conveyance by or on behalf of the insured by any casual drivers not wholly and regularly engaged in the employ of the insured.
6. carriage of passengers in excess of the number for which the vehicle is licensed or authorised by law to carry or carriage of any load in excess of that for which the vehicle is licensed to carry.

Specific exceptions applicable to sub-section A

The company will not be liable under this sub-section for:

(a) consequential loss as a result of any other cause whatsoever;

(b) depreciation, wear or tear, mechanical or electrical breakdowns, failures or breakages;

(c) damage to tyres unless some other part of the vehicle is damaged at the same time;

(d) damage to springs due to inequalities of the road or other surface or to impact with such inequalities;

(e) loss or damage to accessories or spare parts by theft unless the vehicle is stolen at the same time;

(f) defective workmanship or consequential loss as a result thereof to any vehicles whilst in or on the premises;

(g) damage to the vehicles defined in Definition 10 (i) and 10 (iii) whilst in or on the premises if the loss or damage is caused by or arises directly or indirectly from fire, explosion, lightning, weather conditions, earthquake or earth tremor or volcanic eruption;

(h) detention, confiscation, nationalisation or requisition by customs or other officials or authorities.

(i) theft of any vehicle from the premises unless accompanied by visible signs of forcible and violent entry and or exit to or from the premises or any threat or attempted threat thereof or following violence or any threat thereof.

(j) the company shall not be liable under this section in respect of loss, damage and/or injury occurring by or through the use of any vehicle hoist or vehicle ramp unless otherwise stated in the schedule.

(k) damage to the insured vehicle caused by or attributable to the un-roadworthy condition of the vehicle.

(l) any loss or damage where the vehicle has been stolen by another party under false pretences and trickery

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Provisions

Suspensive sale

If to the knowledge of the company, the vehicle is subject to a suspensive sale or similar agreement, such payment shall be made to the owners described therein whose receipt shall be full and final discharge to the company in respect of such loss.

First amount payable

In respect of each and every occurrence regarding sub-sections a and a of this section and notwithstanding anything to the contrary contained in such sub-sections the insured shall be responsible for the first amount payable, as stated under the heading “First amount payable” in the schedule, of any expenditure (or any less expenditure which may be incurred) for which provision is made under the aforesaid sub-sections (including any payment in respect of costs, expenses and fees) and of any expenditure by the company in the exercise of the company’s discretion under sub-section a of this section and General Condition 7(a)(ii) of this policy. If the expenditure incurred by the company shall include the amount for which the insured is responsible in terms of this clause, such amount shall be paid by the insured to the company forthwith.

For the purpose of this clause the expression “occurrence” used in this clause shall mean an occurrence or series of occurrences due to or arising out of one cause in connection with any one vehicle in respect of which this section provides indemnity.

First amount payable – theft, holdup and hijack

If the company alleges the insured has not complied with provisions as stated in 1, 2 and 3 the insured shall be liable to pay in addition to any other first amount payable the amount of 15% (fifteen percent) of a claim with a minimum of R3 000.

SUB-SECTION B - Liability to third parties

Defined Events

The company will indemnify the insured against all sums, including claimant's costs and expenses, which the Insured shall become legally liable to pay in respect of

1. accidental death of or bodily injury to any person other than accidental death or bodily injury to any person in the employ of the Insured arising from and in the course of employment or being a member of the same household as the insured ;
2. damage to property other than property belonging to the insured or held in trust by or in the custody or control of the insured or being conveyed by or loaded onto or unloaded from such vehicle.
3. liability arising from the towing by a vehicle or any other vehicle or trailer provided that the company will not be liable for the damage to the towed vehicle or trailer or to the property therein or thereon.
4. The company will also subject to the limitations of and for the purposes of this sub-section :
   (i) pay all costs and expenses (which are connected with the indemnity provided under sub section B of this section) incurred with the company’s written consent.
   (ii) The liability of the company under sub-section b of this section in respect of death, injury, damages costs and/or expenses shall be limited to the sum insured specified in sub-section b in the schedule, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence.

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5. The company will indemnify any person who is driving or using the vehicle with the insured's permission provided that such person;

   (i) is not entitled to indemnity under any other policy or any other section of this policy except in respect of any amount not recoverable thereunder;

   (ii) shall as though he were the insured observe, fulfil and be subject to the terms, exceptions and conditions of the policy as far as they can apply;

   (iii) has not been refused any motor vehicle insurance or continuance thereof by any insurer;

Limits of Indemnity

Unless otherwise stated the total liability of the company under sub-section b is limited to the limit of indemnity shown in the schedule or the sum of R2 500 000 (two million and five hundred thousand), whichever is the lesser in respect of any once accident or series of accidents due to or arising out of any one event or occurrence.

Specific exceptions applicable to sub-section B

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

(a) death, injury or damage caused by or arising out of the operation, demonstration or use for purposes other than maintenance or repair of any insured vehicle (unless it be a fork lift truck) of any tool or plant forming part of or attached to or used in connection with any insured vehicle or anything manufactured by or contained in any such tool or plant;

(b) death, injury or damage caused or arising beyond the limits of any carriageway or thoroughfare in connection with the bringing of a load to any insured vehicle for loading thereon or the taking away of a load from any insured vehicle after unloading there from;

(c) death of or injury to any person in the employment of the insured arising out of and in the course of such employment;

(d) death of or injury to any person being carried in or upon or entering or getting on to or alighting from

   (i) any motor scooter, motor cycle or side-car attached thereto at the time of the occurrence of the event out of which any claim arises;

   (ii) any vehicle other than from or in the permanently enclosed passenger-carrying compartment of such vehicle

(e) death of or injury to any person being a member of the same household as the insured;

(f) damage to any viaduct bridge or weighbridge or to any road and/or anything beneath by vibration or by the weight of any insured vehicle or load carried by such insured vehicle.

(g) any compensation or claim which falls within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply notwithstanding that no other insurance under such enactment is in force or has been effected and regardless of whether the applicable legislative fund is unable to or incapable of providing compensation.

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Cross liabilities

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

Specific exceptions applicable to all sub-sections of this Section

The company shall not be liable under this Section in respect of:-

1. any accident, injury, loss, damage, liability, costs and/or expenses caused, sustained or incurred outside the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe and Malawi provided, however, that the company will indemnify the insured in terms of sub-section a of this section against loss of or damage to any insured vehicle whilst in transit by sea between any ports in the aforementioned area including loading and unloading incidental to such transit;
2. any accident, injury, loss, damage, liability, costs and/or expenses caused, sustained or incurred while any insured vehicle in respect of or in connection with which insurance is granted under this section
   (i) is being used otherwise than in accordance with the terms of the description of use clause of this section;
   (ii) is being driven by the insured, a member or a director of the insured whilst under the influence of any drug or intoxicating liquor;
   (iii) is being driven with the general consent of the insured or of his representative by any person who to the knowledge of the insured or of such representative is under the influence of any drug or intoxicating liquor;
   (iv) is being used for any unauthorised purpose by an employee of the insured or by any other person with whom such employee is or was in collusion;
   (v) any claim arising out of any contractual liability.

Specific conditions

1. If during the currency of this section any driver's licence in favour of the insured or in favour of any authorized driver of the insured be endorsed, suspended or cancelled or if he be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to the company immediately the insured has knowledge of such fact.
2. In addition to complying with General Condition 5 of this policy
   (a) the insured shall take all reasonable steps to maintain any insured vehicle in efficient and roadworthy condition;
   (a) all reasonable steps shall in the event of any accident or breakdown be taken to prevent further damage or loss and if the insured vehicle which is involved be driven or used before the necessary repairs are effected, any extension of the damage or any further damage to such insured vehicle shall be entirely at the insured's own risk.
3. Cover in respect of theft is subject to the following
   (a) all keys to motor vehicles must be kept in a locked safe whilst not in use, during and after business hours.

(b) vehicles parked overnight must be kept behind a locked gate and/or parking bollard and/or in a locked building and is subject to visible signs of forcible and/or violent entry and/or exit.

(c) The premises stated in the schedule must be protected by electric fencing, burglar bars and a fully operational burglar alarm linked to armed response.

Extensions

It is declared and agreed that

Only those Extensions which are specifically stated in the schedule as being included, shall apply to this section;

The following Extensions (each individually) shall otherwise be subject to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, as if they had been incorporated in such extensions.

Use for social, domestic and pleasure purposes

In consideration of the payment of an additional premium which is included in the premium on this section and notwithstanding anything contained to the contrary in this section, the indemnity provided by this section applies whilst any insured vehicle is being used for social, domestic and pleasure purposes by any person whose name is mentioned in respect of this extension in the schedule.

Loss of use of customers' vehicles

In the event of the company being liable to indemnify the insured under sub-section a of this section in respect of loss of or damage to any insured vehicle the property of a customer whilst in the custody or control of the insured the company will also indemnify the insured notwithstanding anything contained to the contrary in specific exception 2 (i) of the Specific exceptions applicable to sub-section a of this section against all sums which the insured shall become legally liable to pay as compensation for loss of use of such vehicle. Provided that the liability of the company in respect of any one occurrence, shall not exceed the amount stated in the schedule in respect of this extensions.

Extension regarding car hoists (Only applicable if stated in the schedule as being included)

In consideration of the payment of an additional premium which is included in the premium on this Section it is hereby declared and agreed that the words “and car hoists having a lift not exceeding two metres” are added at the end of Specific Exception subsection a (j) of the Specific exceptions applicable to sub-section a of this Section.

Windscreen

The company will pay for the cost to replace or repair the damage to windscreen glass, side or rear glass, head and tail lights forming part of the vehicle provided that, no other damage has been caused to the vehicle giving rise to a claim. The insured will be responsible for the first amount payable.

Unauthorised use of vehicles by employees (Only applicable if stated in the schedule as being included)

In consideration of the payment of an additional premium, which is included in the premium on this section specific exception 2 (i) of the specific exceptions to this section is cancelled.

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Legal liability of passengers for acts of negligence (Only applicable if stated in the schedule as being included)

In consideration of the payment of an additional premium which is included in the premium on this section the company will at the request of the insured indemnify in terms of sub-section b of this section any person using the insured vehicle.

Provided always that such person

(a) is not personally driving or in control of the insured vehicle;

(b) is not entitled to indemnity under any other policy;

(c) is not under the influence of intoxicating liquor or drugs;

(d) shall as though he were the insured observe, fulfil and be subject to the terms, exceptions and conditions of this section and of this policy in so far as they can apply.

Legal Liability in respect of passengers – motor cycles and scooters only (Only applicable if stated in the schedule as being included)

In consideration of the payment of an additional premium which is included in the premium on this section specific exception subsection b (d) 1 of the specific exceptions applicable to sub-section b of this section is cancelled. Provided always that the liability of the company in respect of any one occurrence shall not exceed the amount stated in the schedule in respect of this extension

Car Hire extension applicable to private type and light commercial vehicles not exceeding 3500kg (if stated in the schedule to be included)

The company agrees to arrange a courtesy car for the use of the insured during the period that

the insured is deprived of the use of an insured vehicle as a result of it being disabled and undergoing repair or having been stolen.

Provided that:

(a) Liability for a claim for loss or damage to an insured vehicle has been admitted by the company

(b) The courtesy car shall not be superior to the category of vehicle being claimed against.

(c) The Company shall not be liable under this extension for any period exceeding 30 days after the date of commencement of repairs or the date of theft or for any period after the company has discharged its liability for the claim.

(d) The company shall not be liable for costs of fuel, e-tolls, service fee's, fines, delivery/collection fees or lubricants

Vehicles lent or hired to customers

The description of use is extended to include the use of the vehicle as defined for business purposes by any customer of the Insured or for social, domestic and pleasure purposes;

Provided that

1. the vehicle has been lent or hired to such customer whilst such customer's vehicle is in the custody or control of the Insured for repair, testing, servicing, maintenance, alteration, cleaning or inspection;

2. such customer is not entitled to indemnity under any other policy;

3. such customer shall as though they were the Insured observe, fulfill and be subject to the terms, exceptions and conditions of this policy insofar as they can apply;
4. the customer driving the vehicle must be fully licenced to drive such a vehicle in terms of the legislation applying to any territory within the territorial limits;

Work away from premises

Applicable to sub–section b Liability to third parties

The definition of premises is extended to include any premises not under the control of the insured at which the insured is working upon a customer's vehicle.

Optional limitations

It is declared and agreed that

Only those Optional limitations which are specifically stated in the schedule as being included, shall apply to this section;

The following Optional limitations (each individually) shall otherwise be subject to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, as if they had been incorporated in such Optional limitations.

Cover for motor cycles and motor scooters only

The expression “insured vehicle” used in this section shall bear the following meaning and not as stated in the Definitions of this section:

Any two-wheeled motor cycle or motor scooter (including any side car attached thereto) the property of or in the custody or control of the insured, excluding any motor cycle or motor scooter the property of the insured and hired or sold under a hire purchase or suspensive sale or other deferred ownership

Cover for special type vehicles only

The expression “insured vehicle” used in this section shall bear the following meaning and not as stated in the Definitions of this section:

Any tractor, agricultural, horticultural or forestry vehicle of load and earth moving equipment, lift truck or mobile crane (hereafter termed “Special Type Vehicle”) the property of or in the custody or control of the insured (excluding any “Special Type Vehicle”, the property of the insured and hired or sold under a hire purchase or suspensive sale or other deferred ownership agreement unless such “Special Type Vehicle” is in the custody or control of the insured at the time of the occurrence of the event out of which any claim arises) and any vehicle (mechanically-propelled or otherwise) attached to any aforementioned “Special Type Vehicle” for the purpose of being towed or salvaged.

Exclusion of own vehicles

The expression “insured vehicle” used in this section is deemed not to include any vehicle the property of the insured.

Exclusion of demonstration risk

The company shall be under no liability whilst any insured vehicle is being used for the purpose of demonstration.

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Exclusion of legal liability in respect of passengers

The company shall not be liable under Sub-section B of this section in respect of death of or injury to any person being carried in or upon or getting onto or entering or alighting from any insured vehicle at the time of the occurrence of the event out of which any claim arises.

Restricted cover (third party, fire and theft)

The policy is amended as follows:

The liability of the company under sub-section a of this section shall be restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion and to loss or damage by theft or any attempt thereat;

Third party only cover

Sub-section a of this section is cancelled.

Riot and strike

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;

(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) (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.

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MACHINERY BREAKDOWN

Defined events

Any unforeseen and sudden physical damage to the machinery described in the schedule from any cause within the insureds premises whilst it is :

1. at work or at rest
2. being dismantled for the purpose of cleaning inspection and overhaul or removal to another position or in the course of these operations themselves or subsequent re-erection

Basis of Indemnity

The amount payable by the company will be by determined by :

1. Sum insured

The sum insured noted in the policy must always represent the replacement value including freight dues, custom duties and erection costs.

2. Partial damage

Where the machinery can be repaired the company will pay the reasonable cost of restoration to working order based on the customary rates of wages in the district and normal freight and erection costs and custom duties.

3. Total Loss

If the insured item is totally destroyed the company will pay the new replacement value of the item immediately before the accident and the cost of removing the damaged machinery less the value of the remains. The insured item shall be regarded as totally destroyed if the repair costs as defined in 1 above equal to or exceeds its market value immediately before the accident.

4. Replace, repair or reinstate

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

5. Sum insured and average

Where the sum insured at the time of the loss is less than the new replacement value including the freight dues, custom duties and erection costs the insured will be considered to be their own insurer for the difference and will also bear a rateable portion of the loss. Every item of machinery will be separately subject to average.

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Specific exceptions

The company shall not be liable for:

1. the first amount payable in respect of each and every occurrence.
2. loss or damage due to fire, lightning, explosion, extinguishing of a fire, direct lightning strikes and explosion.
3. theft or attempts thereat, collapse of buildings, impact by animals, vehicles, aircraft, other aerial devices dropped therefrom including sonic shock waves.
4. water which escapes from water containing apparatus including leakage or discharge from any sprinkler or drencher system;
5. subsidence and landscape, wind, storm, flood, hail, snow, earthquake, avalanche, cyclone, hurricane, volcanic eruption or other convulsions of nature or any other or similar natural catastrophes
6. loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract;
7. temporary repairs and any consequences resulting therefrom;
8. wastage of material or the like or wearing away or wearing out of any part of the machinery caused by or naturally resulting from ordinary usage or working or other gradual deterioration;
9. expendable parts and tools such as (but not limited to) bits, cutters, knives, saw, blades, dies, pattern rollers, sieves, chains, belts, ropes, conveyor bands, jointing and packing material. If these parts or tools are damaged as a result of an accident to other parts of the machinery insured as provided for by this insurance the Company shall indemnify the Insured for the residual value of such parts or tools;
10. 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;
11. charges such as express delivery and overtime, Sunday and holiday rates of wages
12. 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);
13. consequential loss or liability of any kind or description;
14. damage resulting from the misapplication of tools or from experiment, overhauls or tests requiring the imposition of abnormal conditions.
15. the value of damaged parts which can be used in any way whatsoever.
16. Any costs related to the repairing or replacing of any foundations, masonry or refractories

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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 extension 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

Alterations to working conditions

Notice of any intended alteration to or departure from normal working conditions which would affect the risk of damage to the machinery specified in the schedule must be given to the company. If the company cannot approve the alteration or departure from normal working conditions the company may cancel the insurance in respect of the machinery concerned making an appropriate return of premium

Access

The insured shall allow the authorised representatives of the company to examine the insured machinery at any reasonable time. If during the inspection any new facts of a nature likely to render the risk more than usually hazardous are observed the insured must at the request of the company restore the risk to normal within a reasonable time failing which the company may suspend cover in whole or in part until the risk is restored to normal.

Maintenance of Machinery

All equipment insured under this section is subject to regular and adequate maintenance processes undertaken by qualified members on the insured's staff or in terms of a maintenance contract with specialists.

Claims

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

(a) shall exercise all means in their power to salvage the insured items and ensure their preservation

(b) may proceed with the repair of the machinery provided that

  (i) they comply with (a) above

  (ii) the carrying out of the repair is without prejudice to any question of liability

  (iii) any damaged part requiring replacement is kept for inspection by the company

(c) take all reasonable steps to minimise the extent of such damage;

(d) 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, 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

Reinstatement of sum insured

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

Automatic reinstatement shall be limited to one reinstatement per annual insurance period

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MACHINERY BREAKDOWN – BUSINESS INTERRUPTION

Defined events

Accident to machinery specified in the schedule for this section and used by the insured at the premises for the purpose of the business resulting in interruption or interference with the business provided that payment shall have been made or liability admitted for accident under the machinery breakdown section of this policy except in so far as a proviso may operate to exclude losses below a specified amount .

Definitions

For the purposes of this section the following shall mean:

"**Accident**" - unforeseen and sudden physical damage to the machinery from any cause provided for by the machinery breakdown insurance.

"**Gross profit**" (difference basis) - the amount by which the sum of the turnover and closing stock exceeds the sum of the opening stock and the uninsured working expenses

"**Gross profit**" (specified standing charges 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 a proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.

"**Gross profit**" (all standing charges basis)- the sum produced by adding to the net profit the amount of all the standing charges of the business or if there is no net profit the amount of all the standing charges less the amount of any net trading loss. For the purpose of this insurance depreciation of buildings plant machinery (other than machinery damaged in the accident) fixtures and fittings shall inter alia be deemed to be standing charges.

"**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.

"**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.

"**Indemnity period**" - The period during which the results of the business are affected in consequent of the accident beginning the number of hours/days stated in column C of schedule H after the occurrence of the accident and ending not later than the expiry of the period shown in column D of schedule II after the occurrence.

"**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.

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"**Rate of gross profit**" - the rate of gross profit to turnover during the financial year immediately before the date of the accident.

"**Rate of wages**" - the rate of wages to turnover during the financial year immediately before the date of the accident

"**Annual turnover**" - the turnover during the period corresponding with the indemnity period in the twelve months immediately before the date of the accident

"**Standard turnover**" the turnover during the period corresponding with the indemnity period in the twelve months immediately before the date of the accident

To which such adjustments will be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the accident or which would have affected the business had the damage not occurred so that the figure thus adjusted will represent as nearly as may be reasonably practicable the results which but for the accident would have been obtained during the relative period after the accident.

"**Annual revenue**" - the revenue during the twelve months immediately before the date of the accident

"**Standard revenue**" - the revenue during the period corresponding with the indemnity period in the twelve months immediately before the date of the accident

"**Shortage in turnover**" -the amount by which the turnover during the specified portion of the indemnity period shall inconsequent of the accident fall short of that part of the standard turnover which relates thereto.

"**The premises**" - all premises owned used or occupied by the insured for the purposes of the business

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

Specific exceptions

(a) The company will not be liable for loss resulting from interruption or interference with the business due to additions, alterations or improvements being effected to the damaged item on the occasion of its repair.

(b) The company will not be liable for 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.

(c) 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:

  (i) any gazetted law of the Republic of South Africa, including any exchange control regulation, directed against any other country;

  (ii) any law of foreign country or international law directed against the Republic of South Africa

(d) The company shall no be liable for any loss resulting from shortage, destruction, deterioration or 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 to an item described in this section.

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Special conditions

Action in the event of an accident

When an accident occurs in consequence of which a claim may be made under this insurance the insured – in addition to complying with the General conditions shall 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 if a claim is made under this insurance will not later than thirty days after the expiry of the indemnity period or within such further time as the company will 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 insurance will be payable unless this specific condition has been complied with and in the event of non-compliance therewith in any respect any payment an account of the claim already made will be repaid to the company forthwith.

Standby machinery

Any item of machinery insured by this policy against which the word “Standby” appears in schedule shall be maintained as standby available for immediate use in the event of the failure of the machinery to which it is standby. Should the standby position change the insured shall give notice as soon as possible to the company and pay the applicable additional premium, calculated from the date that the item of machinery ceased to be standby.

Basis of loss settlement

1. Gross profit (difference basis)

The insurance under item 1 is limited to loss of gross profit due to reduction in turnover and increase in cost of working and the amount payable thereunder will be

(a) for 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) for 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 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 for such charges and expenses of the business payable out of gross profit as may cease or be reduced in consequence of the accident provided that if the sum insured by this item is less than the sum produced by applying the rate of gross profit to the annual turnover (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

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2. Gross profit (specified standing charges basis)

The insurance under item 2 is limited to loss of gross profit due to reduction in turnover and increase in cost of working and the amount payable as indemnity thereunder will be

(a) for 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) for increase in cost of working the additional expenditure (subject to proviso 2(d)) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for the 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 for such of the insured standing charges as may cease or be reduced in consequence of the accident provided that

(i) if the sum insured by this item is less than the sum produced by applying the rate of gross profit to the annual turnover (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced

(ii) if any standing charges of the business are not insured only such proportion of the additional expenditure as the sum of the net profit and the insured standing charges bears to the sum of the net profit and all standing charges shall be brought into account when calculating the amount recoverable hereunder.

3. Gross profit (all standing charges basis)

The insurance under item 3 is limited to the gross profit due to reduction in turnover and increase in cost of working and the amount payable as indemnity thereunder shall be

(a) for 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) for 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 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 any standing or other charges which may cease or be reduced in consequence of the accident provided that if the sum insured by this item be less than the sum produced by applying the rate of gross profit to the annual turnover (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

4. Revenue

The insurance under item 4 is limited to loss due to reduction in revenue and increase in cost of working and the amount payable as indemnity hereunder will be

(a) for reduction in revenue the amount by which the revenue during the indemnity period shall in consequence of the accident fall short of the standard revenue

(b) for increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in revenue which but for that expenditure would have taken place during the indemnity period in consequence of the accident but not exceeding the amount of the reduction thereby avoided

less any sum saved during the indemnity period for such charges and expenses of the business payable out of revenue as may cease or be reduced in consequence of the accident provided that if the sum insured by this item is less than the annual revenue (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

5. Wages (number of weeks basis)

The insurance under item 5 is limited to the loss incurred by the insured by the payment of wages for a period beginning with the number of weeks/days stated in column C of schedule II after the occurrence of the accident and ending not later thereafter than the number of weeks specified in schedule. 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 accident 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 accident be utilised by the insured to the full provided that if the sum insured by this item is less than the aggregate amount of wages that would have been paid during the specified number of weeks immediately following the accident had the accident not occurred the amount payable will be proportionately reduced .

6. Additional expenditure

The insurance under item 6 is limited to additional expenditure (in excess of that recoverable under other items) necessarily and reasonably incurred by the insured in consequence of the accident in order to minimize interruption of or interference with the business during the indemnity period.

Memorandum

Other premises

If during the indemnity period goods shall be sold or services shall be rendered or revenue earned 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 or revenue earned in respect of such sales or services shall be brought into account in arriving at the turnover or revenue during the indemnity period.

Clauses (Only apply when indicated in the schedule)

1. Accountant/auditor

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 for the purpose of investigating or verifying any claims under this insurance may be produced and certified by the insured's own accountants and/or auditors and their certificate will be prima facie evidence of the particulars and details which such certificate relates.

2. Accumulation of stocks

In adjusting any loss account will be taken and an equitable allowance made if any shortage in turnover due to the accident is postponed by reason of the turnover being temporarily maintained from accumulated stocks

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3. Department/branches

If the business be conducted in departments/branches the independent trading results of which are ascertainable the provisions of paragraphs 1(a) 1(b) 2(a) 2(b) 3(a) 3(b) and 4(a) 4(b) (basis of loss) will apply separately to each department/branch whose results are affected by the accident provided that if the respective sums insured are less than the aggregate of the sums produced by applying the rate of gross profit revenue or the rate of wages (as the case may be) for each department/branch of the business (whether its results are affected by the accident or not) to the relative annual turnover thereof (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

4. Alternative basis of loss settlement

The term "output" may be substituted for the term "turnover" and for the purpose of this insurance "output" shall be, provided that

(i) only one such meaning shall be operative in connection with any accident

(ii) if the meaning set out above be adopted

(a) clause (b) "Accumulation of stocks" shall be of no effect

(b) the "Other premises" memo shall read as follows "if during the indemnity period goods shall be manufactured or services rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on their behalf the sale value of goods so manufactured or services rendered shall be brought into account in arriving at the output during the indemnity period".

5. New business clause

For the purpose of assessing any loss sustained as the result of an accident occurring before the completion of the first year's trading the terms "rate of gross profit" "rate of wages" "annual turnover" "standard turnover" "annual revenue" and "standard revenue" shall bear the following meanings

(i) rate of gross profit

The rate of gross profit earned on the turnover during the three months immediately before the date of the accident.

(ii) rate of wages

The rate of wages to turnover during the three months immediately before the date of the accident.

(iii) annual turnover

Twelve times the average monthly turnover for the three months immediately before the date of the accident.

(iv) standard turnover

The turnover which would have been achieved during the indemnity period if the average turnover during the three months immediately before the date of the accident had been maintained.

(v) annual revenue

The average revenue earned during the three months immediately before the date of the accident.

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(vi) standard revenue

The revenue which would have been earned during the indemnity period if the average revenue during the three months immediately before the date of the accident had been maintained.

6. Payments on account

Payments on account of insured losses may be made if desired.

7. Reinstatement of sum insured

Notwithstanding the occurrence of a loss this insurance will remain in force for the full amount the insured agreeing to pay additional premium on the amount of such loss pro rata from the date of the accident to the expiry of the period of insurance.

8. Deposit premium

In consideration of the premium for items 1 2 3 4 and/or 5 of schedule being provisional because they are calculated on 75% (seventy five per cent) of the sum(s) insured thereby the premium is subject to adjustment on expiry of each period of insurance as follows:

If the gross profit or revenue earned or wages paid (proportionately increased if the indemnity period exceeds 12 months) during the financial year most nearly concurrent with any period of insurance is less or greater than 75% (seventy five per cent) of the sum insured thereon a pro rata return or additional premium not exceeding 33.3% (thirty three and one third per cent) of the provisional premium paid for such period of insurance will be made for the difference.

9. Premium rebate

(i) If the gross profit and/or revenue earned and/or wages paid as insured by 1 2 3 4 and/or 5 of schedule (all proportionately increased if the indemnity period exceeds 12 months) during the financial year most mean “the sale value of goods manufactured by the insured in the course of the business at the nearly concurrent with any period of insurance is less than the respective sums insured thereon a pro rata return of premium not exceeding 50% (Fifty per cent) of the premium paid on such sums insured for such period of insurance will be made for the difference provided that if any claim shall have arisen under these items such return will be made in respect only of so much of the difference as is not due to such claim.

(ii) If the specified number of 52nd parts of the wages paid as insured by item 6 of schedule I during the financial year most nearly concurrent with any period of insurance is less than the sum insured thereon a pro rata return of premium not exceeding 50 per cent of the premium paid on such sum insured for such period of insurance will be made for the difference provided that if any claim shall have arisen under this item no return of premium will be made.

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DETERIORATION OF STOCK

Defined events

Loss of or damage to the insured property specified in the schedule caused by deterioration due to unforeseen physical loss of or damage to the machinery specified in the machinery breakdown section and identifiable under the machinery breakdown section in force.

Provided that the liability of the company during any one year of insurance shall not exceed the limit of indemnity stated in the schedule in respect of each item specified.

Specific exceptions

The company shall not be liable for:

1. loss arising within the time period stated in the schedule of goods stored in the refrigeration chambers due to deviation from the prescribed refrigeration temperature, unless deterioration is caused by contamination as a result of leakage of refrigerant or by accidental freezing of goods or unless fresh goods that have not yet reached the prescribed refrigeration temperature are affected thereby;

   Time period is defined as the time period immediately following cessation of cooling during which, with the storage room left sealed, no deterioration would take place;

2. loss to the goods stored arising as a result of shrinkage, inherent defects or diseases, natural deterioration, spoilage or natural putrefaction;
3. loss arising from improper storage, damage to packing material, insufficient circulation of air, non-uniformity of temperature;
4. loss caused by temporary repair carried out without the company's consent of the refrigeration machinery specified in the insured's list of machinery;
5. penalties for delay, consequential loss or damage or liability of any nature whatsoever;
6. loss or damage directly or indirectly caused by, or arising out of, or aggravated by
   (a) the wilful act or wilful negligence of the insured or his representatives;
   (b) fire, lightning, chemical explosion, extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, theft or attempts thereat, collapse of buildings, flood, inundation, earthquake, subsidence, landslip, avalanche, hurricane, cyclone, volcanic eruption or other natural catastrophes.
7. the first amount payable stated in the schedule
8. damage to insured products not contained in insured cold-room(s) or refrigerators at the time of such damage

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Specific conditions

This section shall apply only if

1. the refrigeration machinery is insured under a machinery breakdown section insured by this policy;
2. the insured refrigeration machinery is connected to an automatic alarm system in an attended location;
3. the stock is stored in “controlled atmosphere” chambers;
4. at the time of the loss or damage the goods are stored in the refrigeration chambers;
5. the insured maintains on a daily basis a stock book in which the type, quantity and value of the goods stored and the beginning and the end of the storage period are entered separately for each refrigeration chamber;
6. the sum insured is equal to the estimated maximum selling price obtainable for the stored goods during the period of this section. The insured shall be obliged to furnish the company not later than 10 days after the close of each month either with copies of the aforesaid stock books or with a duly completed declaration showing the average quantity and value per day of the goods stored during the preceding month (monthly declaration).

   The monthly declaration shall be based on the selling price obtainable for the goods.

   Stock book copies and monthly declarations shall be regarded as forming an integral part of this policy.

   The sum insured shall be reduced by any indemnity paid under this section for the remaining policy period unless it has been reinstated by payment of a pro rata additional premium, from the date of the insured loss or damage for the remaining portion of the (annual) period of insurance.
7. all claims shall be settled on the basis of the value stated in the monthly declaration immediately prior to the occurrence of the loss or the selling price that would have been obtainable, whichever is the lesser. When determining the indemnity, the company shall take into consideration all circumstances that may influence the amount of indemnity, such as proceeds from a sale of goods as well as storage costs saved due to the termination of the storage.

   If after the occurrence of a partial loss it is found that the last monthly declaration preceding the loss 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 last monthly declaration bears to the amount that ought to have been declared.

Memoranda

1. In the event of damage to the insured products:
   (a) where such damage necessitates destruction 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 minimise damage to the insured products reasonable proof of the necessity for incurring such costs must be furnished by the insured.

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.

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.

Optional conditions

Constant supervision (if stated in the schedule to be included)

The insured refrigeration machinery is under constant supervision by qualified personnel.

Temperature readings (if stated in the schedule to be included)

During the entire period of storage, the insured records in a logbook the condition of the insured goods and at least three temperature readings per day from each refrigeration chamber, the accuracy of the temperature readings being verified by means of a calibrated, independent reference thermometer at least every 14 days.

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HOUSEOWNERS

Defined events

Loss of or damage to the whole or part of the insured property caused by any of the following perils:

1. Fire, lightning, explosion.
2. Storm, wind, water, hail or snow, but excluding any loss of or damage to any property:
   (a) arising from any process which necessitates the use or application of water;
   (b) in the open (other than insured buildings, structures and plant designed to exist or operate in the open).

   Provided always that this defined event does not cover the following:

   (i) Wear and tear or gradual deterioration;
   (ii) Any loss or damage caused or aggravated by
      (a) leakage or discharge from any sprinkler or drencher system in the insured buildings;
      (b) the insured's failure to take all reasonable precautions for the maintenance and safety of the insured property and to prevent or minimise any loss or damage;
   (iii) any loss of or damage to gateposts, gates, fences and retaining walls.
3. Earthquake.
4. Falling trees or impact by vehicles, animals, aircraft and other aerial devices or anything that falls from them.
5. Bursting of water tanks, water apparatus or water pipes and the accidental leakage of oil from fixed oil-fired heating installations.
6. Theft or any attempt thereat of fixtures and fittings belonging to the owner of the insured buildings whilst such fixtures and fittings are in or on the insured buildings, but excluding theft or any attempt thereat) whilst the insured buildings are lent, let or sub-let in whole or in part unless such theft (or any attempt thereat) is accompanied by breaking into or out of the insured buildings by actual, visible and forcible means. For the purposes of this defined event the accommodation of paying guests, boarders or lodgers not exceeding three in number shall not be deemed to be lending, letting or sub-letting of the insured buildings.
7. Breaking into or out of the insured buildings (or any attempt thereat) by actual, visible and forcible means.
8. Malicious damage.
9. The collapse or breakage of aerial systems, including damage to such aerial systems.

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Definitions

Insured property: The building of the private dwelling house which is constructed and situated as stated in the schedule of this section (such private dwelling house in this section called the 'private dwelling house') and

all domestic rooms, private garages, private outbuildings, private tennis courts, private swimming pools (except portable swimming pools), swimming pool machinery, borehole machinery supplying water solely for domestic purpose, satellite dishes, boundary and other walls, gateposts, gates (including the machinery thereof), fences (other than hedges) and

paved or surfaced areas (including driveways) of brick, concrete, asphalt or stone (not gravel) being on the same premises as and used solely in connection with the aforesaid private dwelling house, including

fixtures and fittings belonging to the owner of the aforesaid private dwelling house, domestic rooms, private garages, private outbuildings, boundary and other walls, gateposts, gates, private tennis courts and private swimming pools (but only whilst such fixtures and fittings are in or on the aforesaid private dwelling house, domestic rooms, private garages, private outbuildings, boundary and

other walls, gateposts, gates, private tennis courts or private swimming pools), as well as the public supply or mains connections as mentioned in general extensions of this section,

all the aforementioned which are being referred to in this section as 'insured property', "insured buildings" and "insured building".

Provided always that if two or more private dwelling houses are insured under this section the terms, limitations, exceptions and conditions contained herein shall apply separately to each insured property as if each had been insured under a separate policy.

Extensions

1. General extensions

Subject otherwise to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, this section also covers the following:

(a) Loss of Rent

Loss of rent in respect of the private dwelling house as a result of the dwelling house being so damaged by any of the perils insured against under the defined events of this section as to be rendered uninhabitable but only in respect of the period necessary for reinstatement and for an amount not exceeding 25% (twenty five percent) of the sum for which the aforesaid damaged private dwelling house is insured under this section. The basis of calculation shall be the annual rent (at the time of occurrence of the aforesaid damage) of the aforesaid private dwelling house unfurnished or its equivalent in rental value.

(b) Public Supply or mains Connections

Accidental damage to water, sewerage, gas, electricity and telephone connections, the property of the insured or for which the insured is legally responsible, between the public supply or public mains and the insured buildings.

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(c) Glass and Sanitary Ware

Accidental breakage of glass, mirrors and sanitary ware, provided it is fixed to the buildings. The buildings must be furnished and occupied at the time of the breakage. Chipping, scratching and disfiguration are not covered.

(d) Additional Costs

Costs necessarily incurred for demolition and clearing, erection of hoardings, municipal plan scrutiny, architects, quantity surveyors and consulting engineers, following damage to any insured building by any peril insured against under this section.

(e) Fire Brigade Charges

Reasonable costs charged by an authorised body for extinguishing a fire to prevent or lessen damage to any insured buildings.

(f) Guards

Employment of guards to protect the insured buildings following damage to the insured buildings caused by any peril insured against under this section. Provided that the liability of the company under this extension shall not exceed R2 000 in all.

2. Liability extension

Subject otherwise to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (insofar as they can apply) of the policy, the company will indemnify the insured as hereinafter described for injury, illness and or damage arising during the period of insurance:

Legal Liability to the public, in which case:

(a) the insured in his/her capacity as owner of the insured buildings

or

(b) the insured's personal legal representatives (in the event of the death of the insured) in respect of liability incurred by the insured, on condition, however, that such legal representatives shall, as though they were the insured observe, fulfil and be subject to the terms, exceptions and conditions of this section and of this policy insofar as they can apply will be indemnified by the company against

(a) all sums which the insured shall become legally liable to pay as compensation

and

(b) and all costs and expenses of litigation

(i) recoverable by any claimant from the insured but on condition that such costs and expenses are in respect of a claim for compensation to which the indemnity afforded under this extension applies and on condition further that such costs and expenses were incurred before the date on which the company shall have paid or offered to pay either the full amount of the aforesaid claim or any lesser amount for which the aforesaid claim can be settled or the maximum amount for which the company is liable under this extension in respect of the aforesaid claim, or;

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(ii) incurred by the insured with the written consent of the company in respect of

a) accidental death of or bodily injury to or illness of any person other than a person

(i) who is a member of the insured's household or a member of the insured's family or;

(ii) who is in the employment of the insured if such death, bodily injury or illness arises out of and/or in the course of the employment of such person by the insured, and/or:

b) accidental physical loss of or damage to tangible property other than property belonging to or leased, let, rented, hired to or held in trust by or in the charge or custody of or under the control of the insured or any member of the insured's household or any member of the insured's family or any person in the insured's service, occurring or arising in, or on, or at the insured buildings.

Provided always that

1. the liability of the company under this extension for all costs and expenses of litigation and all compensation payable (irrespective of the number of claimants claiming compensation) in respect of or arising out of any one occurrence or series of occurrences arising out of or attributable to any one source or original cause, shall not exceed the sum of R1 000 000 in all;

2. the indemnity afforded under this extension shall not apply to or include claims for compensation and costs and expenses of litigation in respect of:

(a) liability assumed by the insured by agreement unless such liability would have attached to the insured notwithstanding such agreement;

(b) death of or bodily injury to or illness of any person or loss of or damage to property caused by or through or in consequence of or arising out of or incidental to or attributable to

(i) the business, trade, occupation or profession of the insured except as owner of the insured buildings;

(ii) the ownership or possession or use of lifts, elevators, escalators, cranes, vehicles of any kind (including inter alia trailers and caravan trailers), vessels or watercraft of any kind or aircraft and other aerial devices of any kind;

(iii) vibration or the removal or weakening of or interference with support to land, buildings or any other property.

3. the indemnity afforded under this extension shall not apply to or include any fines or penalties or punitive, exemplary or vindictive damages, but on condition, however, that nothing contained in this proviso shall extend this section to cover any liability which would not have been covered under this section in the absence of this proviso;

4. the indemnity afforded under this extension shall not apply to or include

(a) claims for compensation and costs and expenses of litigation in respect of death or any injury, illness, loss or damage directly or indirectly caused by or through or in consequence of or arising out of or attributable to seepage, pollution or contamination. This proviso shall, however, not apply to claims for compensation and costs and expenses of litigation in respect

of accidental death of or bodily injury to or illness of any person or accidental physical loss of or damage to tangible property where the aforesaid seepage, pollution or contamination is directly caused by a sudden, unintended and unexpected happening during the period of insurance;

(b) any cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is directly caused by a sudden, unintended and unexpected happening during the period of insurance.

On condition, however, that nothing contained in this proviso shall extend this section to cover any liability which would not have been covered under this section in the absence of this proviso.

5. the indemnity afforded under this extension shall not apply to or include claims for compensation and costs and expenses of litigation in respect of death or any injury or illness attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event.

Optional extensions

Subject otherwise to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, this section also covers the following:

(a) Accidental Damage to Machinery (if stated in the schedule to be included)

Sudden and unexpected damage to machinery, used solely for domestic purposes, of swimming pools, jacuzzis, boreholes (excluding windmills), sprinkler irrigation systems, electric gates and garage doors. The machinery must be installed on the premises of the insured buildings. Cover is limited to R25 000 less the first amount payable.

(b) Subsidence and Landslip Cover (if stated in the schedule to be included)

Loss of or damage to the insured buildings caused by subsidence or landslip provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1 percent of the sum insured on the property or R2000 whichever is the greater.

This extension does not cover

(i) loss of or damage to drains, water courses, boundary walls, garden walls, retaining walls, gate posts, gates and fences;

(ii) loss or damage following upon:

(a) faulty design or construction of any building;

(b) the removal or weakening of support to any building;

(c) structural alterations, additions or repairs;

(d) surface or subterranean excavations other than in the course of mining operations.

In any action, suit or other proceeding where the company alleges that, by reason of the provisions of these exceptions, any damage caused by subsidence or landslip is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

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Specific exceptions

1. This section does not cover any consequential or indirect loss or damage of any kind or description whatsoever, except loss of rent as expressly provided in extension (1) A of this section.
2. This section does not cover any loss or damage or liability or claim directly or indirectly occasioned by or through or in consequence of subsidence or landslip.

Specific conditions

Average

If the insured property shall, at the commencement of any loss or damage (against which is insured under this section) regarding the insured property, be collectively of greater value than the sum insured in respect of the insured property, then the insured shall be considered as being his/her own insurer for the difference and shall bear a rateable share of the aforesaid loss or damage accordingly. Every item, if more than one, of this section shall be separately subject to this condition.

Replacement value and average

In the event of loss of or damage to the insured property by any of the perils insured against under this section, the basis upon which indemnity is to be calculated shall be the cost of replacing the lost or damaged property or part of it with similar new property, limited to the sum insured as stated in the schedule.

Clauses

Capital additions clause

The insurance by this section hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the sum insured) to the insured property for an amount not exceeding 15% (fifteen percent) of the sum insured on the insured property, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereof.

Mortgagee clause

The interests of the mortgagee have priority over the insured's interests, but are limited to the outstanding amount of the bond. These interests will not be invalidated by any act or omission of the mortgagor or owner of the insured buildings, provided that the act or omission takes place without the knowledge of the mortgagee.

Temporary removal clause

Except if and so far as otherwise insured, fixtures and fittings belonging to the owner of a building being insured under this section (provided that such fixtures and fittings form part of the insured property) are covered whilst such fixtures and fittings are temporarily removed elsewhere on the same premises where the aforesaid building is situated or are temporarily removed to any other premises (including in transit) anywhere in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique.

Provided that the liability of the company under this clause shall be limited to the amount which would have been payable under this section had the damage occurred on that portion of the premises where the aforesaid building is situated from which the aforementioned fixtures and fittings were originally temporarily removed.

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Tenant's clause

If a tenant of the insured buildings does something or omits to do something without the insured's knowledge, which is in contradiction to the terms, exceptions and conditions of this policy, the insured's cover will not be invalidated. The insured must advise the company of the act or omission as soon as the insured becomes aware of it.

Public authorities' requirements clause

The insurance under this section is declared to include such additional cost of repairing or rebuilding the damaged insured property as may be 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, divisional, municipal or 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 by this section;
     - (iii) under which notice has been served upon the insured prior to the happening of the damage;
     - (iv) in respect of undamaged insured property or undamaged portions of insured property;
   - (c) the additional cost that would have been required to make good the insured property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen;
   - (d) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the insured property or by the owner thereof by reason of compliance with any of the aforesaid regulations.
2. the work of rebuilding or repair, which 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, must be commenced and carried out with reasonable despatch and in any case must be completed within twelve months after the damage, or within such further time as the company may (during the said twelve months) in writing allow
3. if the liability of the company under 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 shall be reduced in like proportion
4. the total amount recoverable under this section shall not exceed the sum insured on the aforesaid damaged insured property.

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HOUSEHOLDERS

Defined events

1. Loss of or damage to the whole or part of the insured property caused by any of the perils specified in sub-section A.
2. Loss and/or additional expenses described in sub-section B.

SUB-SECTION A - Property

1. Fire, lightning, explosion.
2. Storm, wind, water, hail or snow, but excluding any loss of or damage to any property:

   (i) arising from its undergoing any process necessarily involving the use or application of water;

   (ii) in any structure not completely roofed.

   Provided always that this sub-section A (2.) does not cover:

   (iii) wear and tear or gradual deterioration;

   (iv) any loss or damage caused or aggravated by:

   (a) leakage or discharge from any sprinkler of drencher system in any building in which the insured property is kept;

   (b) the insured's failure to take all reasonable precautions for the maintenance and safety of the insured property and to prevent or minimise any loss or damage.
3. Earthquake.
4. Falling trees or impact with any of the buildings by vehicles, animals, aircraft and other aerial devices or anything that falls from them.
5. Theft or any attempt thereat, but excluding

   (a) theft (or any attempt thereat) whilst the buildings or any part thereof be lent, let or sub-let unless such theft (or any attempt thereat) is accompanied by breaking into or out of the buildings by actual, visible and forcible means. For the purposes of this sub-section **A5 (a)** the accommodation of paying guests, boarders or lodgers not exceeding three in number shall not be deemed to be lending, letting or sub-letting of the buildings;

   (b) theft (or any attempt thereat) from any domestic outbuildings unless such theft (or any attempt thereat) is accompanied by breaking into or out of such domestic outbuildings by actual, visible and forcible means.
6. Theft (or any attempt thereat) from any domestic outbuildings which theft (or any attempt thereat) is not accompanied by breaking into or out of such domestic outbuildings by actual, visible and forcible means, provided always that the liability of the company under this sub-section **A6** shall not exceed R2 500).
7. Theft (or any attempt thereat)
8. Malicious damage.
9. Collapse or breakage of aerial systems (including satellite dishes).
10. Leakage of oil from oil heaters.

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SUB-SECTION B - Rent

Loss of rent actually incurred by the insured in consequence of the insured's private residence being so damaged by any of the perils specified in sub-section A as to be rendered uninhabitable and reasonable additional expenses necessarily incurred by the insured at a hotel or boarding house, but only in respect of the period necessary for reinstatement. Provided always that the liability of the company under this sub-section B shall not exceed 25% (twenty five percent) of the sum insured stated in the schedule.

Definitions

Insured property shall mean

(a) contents whilst contained in the insured's private residence and domestic outbuildings, provided always that if the contents of two or more of the insured's private residences and their respective domestic outbuildings are insured under this section, the terms, limitations, exceptions and conditions contained in this section shall apply separately to the contents of each of such private residences and their respective domestic outbuildings as if the contents of each of such private residences and their respective domestic outbuildings had been insured under a separate policy.

(b) personal effects belonging to visitors of the insured whilst such personal effects are contained in the insured's private residence, provided always that:

  (i) such personal effects are not otherwise insured;

  (ii) the liability of the company in respect of loss of or damage to personal effects of visitors shall not exceed R2 500.

(c) personal effects belonging to any servant in the full-time employment of the insured whilst such personal effects are contained in the buildings, provided always that:

  (i) loss or damage by theft (or any attempt thereat) shall be excluded unless such theft (or any attempt thereat) is accompanied by breaking into or out of the buildings by actual, visible and forcible means;

  (ii) the liability of the company in respect of loss of or damage to the personal effects of all servants shall not exceed R2 500.

Co-insureds shall mean the spouse of the insured and any other member of the family of the insured or member of the family of the spouse of the insured, provided the aforesaid member normally resides with the insured.

Insured's private residence shall mean the building of the insured's private dwelling house/flat which is constructed and situated as stated in the schedule.

Domestic outbuildings shall mean the building(s) of all domestic rooms, private garages and private outbuildings being on the same premises as and used solely in connection with but not directly communicating with the insured's private residence.

Buildings shall mean the insured's private residence and domestic outbuildings.

Stated premises shall mean the premises on which the insured's private residence is situated.

Contents shall mean household goods and personal effects of every description, the property of the insured and co-insureds or for which they are responsible, and fixtures and fittings the property of the insured and co-insureds or for which they are legally responsible but excluding fixtures and fittings belonging to the owner of the buildings.

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Extensions

1. General extensions

Subject otherwise to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, this section also covers the following:

(a) Loss of or damage to the contents of refrigerators and deep-freezers

Accidental spoiling of the contents of refrigerators or freezers (including freezing-rooms and cold stores) inside the insured's private residence caused by a change in temperature. Spoiling due to the intentional power-cut by any authority is not insured. Damage to the refrigerators or freezers (including freezing-rooms and cold stores) is not insured. Provided always that the liability of the company under this extension shall not exceed R2 500 per claim limited to twice in a 12-month period

(b) Loss of money

Loss of or damage to the insured's or a co-insured's money whilst inside the insured's private residence and caused by any of the perils specified in sub-section A. Theft of money must be accompanied by breaking into or out of the aforesaid private residence by actual, visible and forcible means. Provided always that the liability of the company under this extension shall not exceed R1 000 in all.

(c) Accidental breakage of mirrors and certain glass

Accidental breakage of mirrors or plate glass tops of furniture and, if not otherwise insured, glass forming part of a stove, oven or other article of furniture belonging to the insured or a co-insured and which is inside the insured's private residence. Glass of television sets is not insured.

(d) Medical expenses

Medical expenses, not otherwise insured, up to R2 500 per person for accidental bodily injury sustained by:

1. any person, excluding the insured or a co-insured or a person in the insured's service, caused directly by the insured's or a co-insured's domestic animal kept on the insured's premises;
2. the insured's or a co-insured's guest or visitor, caused directly by a defect in the buildings or premises;
3. the insured's or a co-insured's domestic employee which results from and in the course of their service.

Cover under the medical expenses section of this policy is only applicable to the extent that it is legally permissible and not in breach of the demarcation regulations published relative to section 70 (2A) of the Short Term Insurance Act – Government notice 1582

(e) Fire brigade charges

Reasonable costs charged by any authorised body for extinguishing a fire to prevent or lessen damage to the insured's contents.

(f) Compensation for death of the insured

Compensation of R10 000 if the insured or the insured's spouse die within (90) ninety days due to an injury sustained in the insured's buildings or on the insured's premises through fire or attack by thieves.

(g) Storage costs for contents after damage

Necessary storage costs incurred by the insured to safeguard the insured's contents after the occurrence of a peril specified in sub-section A. Provided always that the liability of the company under this extension shall not exceed R1 000 or 2% of the sum insured which is stated in the schedule (whichever is the greater).

(h) Trauma treatments

Medical expenses, not otherwise insured for trauma treatment by a psychologist if the insured or a co-insured needs treatment due to theft, fire or farm attacks which occurs in the insured's buildings or on the insured's premises. Provided always that the liability of the company under this extension shall not exceed R2 500 in all.

(i) Guards

Employment of guards to protect the insured's contents after the occurrence of peril specified in sub-section A. Provided always that the liability of the company under this extension shall not exceed R2 000 in all.

2. Liability extensions

Subject otherwise to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, this section also covers the following arising during the period of insurance:

A) Tenants Liability, in which case

the company will indemnify the insured against all sums for which the insured as tenant or occupant of the buildings, and not as owner, shall become legally liable to pay as compensation in respect of the following:

1. loss of or damage to the aforementioned rented or occupied buildings and/or fixtures and fittings therein, directly caused by

   (a) storm or tempest (but excluding loss or damage caused by flood) or bursting or overflowing of water tanks, water apparatus or water pipes;

   (b) theft or any attempt thereat;

   (c) fire or explosion;

   (d) impact by animals or vehicles;

   (e) loss of or damage to keys, locks and remote control units.

   Provided always that in respect of any one occurrence or series of occurrences arising out of or attributable to any one source or original cause the liability of the company under this extension shall not exceed R1 000 000 in all but in respect of A) 1. (e) shall not exceed R5 000.

2. accidental breakage, but only whilst the private residence forming part of the aforementioned rented buildings is furnished and occupied by the insured in their capacity as tenant, of

   (a) glass in windows, skylights, doors, fanlights, greenhouses, conservatories and verandas;

   (b) baths, wash basins, sinks, lavatory pans, cisterns, pedestals and splash backs (but excluding chipping, scratching and other disfiguration); all the aforesaid forming fixed parts of the buildings.

3. accidental damage to underground water, gas and sewerage pipes and underground electricity and telephone cables, all the aforesaid extending from the public mains to the buildings.

B) Legal Liability to the public, in which case

(a) the insured in their capacity as householder occupying the buildings;

or

(b) the insured's personal legal representatives (in the event of the death of the insured) in respect of liability incurred by the insured, on condition, however, that such legal representatives shall as though they were the insured observe, fulfil and be subject to the terms, exceptions and conditions of this section and of this policy in so far as they can apply;

and/or

(c) the co-insureds on condition, however, that such co-insureds:

   (i) are not entitled to indemnity under any other insurance;

   and

   (ii) each shall as though they were the insured observe, fulfil and be subject to the terms, exceptions and conditions of this section and of this policy in so far as they can apply,

will be indemnified by the company against:

1. all sums which the insured and/or co-insureds shall become legally liable to pay as compensation and;

   all costs and expenses of litigation

   (i) recoverable by any claimant from the insured and/or co-insureds but on condition that such costs and expenses are in respect of a claim for compensation to which the indemnity afforded under this extension (2)B applies and on condition further that such costs and expenses were incurred before the date on which the company shall have paid or offered to pay either the full amount of the aforesaid claim or any lesser amount for which the aforesaid claim can be settled or the maximum amount for which the company is liable under this extension (2)B in respect of the aforesaid claim,

   or

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(ii) incurred by the insured and/or co-insureds with the written consent of the company, in respect of

a) accidental death of or bodily injury to or illness of any person other than a person

(i) who is the insured or any of the co-insureds or who is a boarder, lodger and/or a paying guest of the insured or co-insureds or;

(ii) who is in the employment of the insured or co-insureds if such death, bodily injury or illness arises out of and/or in the course of the employment of such person by the insured or co-insureds,

and/or

b) accidental physical loss of or damage to tangible property other than property belonging to or leased, let, rented, hired or lent to or held in trust by or in the charge or custody of or under the control of the insured or any of the co-insureds or a boarder, lodger and/or a paying guest of the insured or co-insureds, or a person in the insured's or co-insureds' service;

occurring or arising on the stated premises.

Provided always that

1. the liability of the company under this extension (2)B for all costs and expenses of litigation and all compensation payable (irrespective of the number of claimants claiming compensation) in respect of or arising out of any one occurrence or series of occurrences arising out of or attributable to any one source or original cause shall not exceed R1 000 000 in all;

2. the indemnity afforded under this extension (2)B shall not apply to or include claims for compensation and costs and expenses of litigation in respect of:

(a) liability assumed by the insured or co-insureds by agreement unless such liability would have attached to the insured or co-insureds notwithstanding such agreement;

(b) death of or bodily injury to or illness of any person or loss of or damage to property caused by or through or in consequence of or arising out of or incidental to or attributable to:

(i) the business, trade, occupation or profession of the insured or co-insureds;

(ii) the ownership or possession or use of lifts, elevators, escalators, cranes, vehicles of any kind (including inter alia trailers and caravan trailers but excluding pedestrian controlled gardening implements), vessels or watercraft of any kind or aircraft and other aerial devices of any kind;

(iii) the ownership or possession or use or handling of any fire-arms or airguns or any animals (other than dogs and cats);

(iv) vibration or the removal or weakening of or interference with support to land, buildings or any other property;

3. the indemnity afforded under this extension (2)B shall not apply to or include any fines or penalties or punitive, exemplary or vindictive damages, but on condition, however, that nothing contained in this proviso shall extend this section to cover any liability which would not have been covered under this section in the absence of this proviso;

4. the indemnity afforded under this extension (2)B shall not apply to or include:

   (a) claims for compensation and costs and expenses of litigation in respect of death or any injury, illness, loss or damage directly or indirectly caused by or through or in consequence of or arising out of or attributable to seepage, pollution or contamination. This proviso shall, however, not apply to claims for compensation and costs and expenses of litigation in respect of accidental death of or bodily injury to or illness of any person or accidental physical loss of or damage to tangible property where the aforesaid seepage, pollution or contamination is directly caused by a sudden unintended and unexpected happening;

   (b) any cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is directly caused by a sudden, unintended and unexpected happening;

   On condition, however, that nothing contained in this proviso (4) shall extend this section to cover any liability which would not have been covered under this section in the absence of this proviso (4).

5. the indemnity afforded under this extension (2)B shall not apply to or include claims for compensation and costs and expenses of litigation in respect of death or any injury or illness attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event.

C) Legal Liability to Domestic Servants, in which case

(a) the insured in their capacity as householder; and/or

(b) the co-insureds on condition, however, that such co-insureds:

   (i) are not entitled to indemnity under any other insurance

   and

   (ii) each shall as though they were the insured observe, fulfil and be subject to the terms, exceptions and conditions of this section and of this policy in so far as they can apply,

   will be indemnified by the company against

(c) all sums which the insured and/or co-insureds shall become legally liable to pay as compensation

   and

(d) all costs and expenses of litigation

   (i) recoverable by any claimant from the insured and/or co-insureds but on condition that such costs and expenses are in respect of a claim for compensation to which the indemnity afforded under this extension (2)C applies and on condition further that such costs and expenses were incurred before the date on which the company shall have paid

or offered to pay either the full amount of the aforesaid claim or any lesser amount for which the aforesaid claim can be settled or the maximum amount for which the company is liable under this extension (2)C in respect of the aforesaid claim,

or

(ii) incurred by the insured and/or co-insureds with the written consent of the company,

in respect of accidental death of or bodily injury to any domestic servant employed by the insured or co-insureds on condition, however, that such death or bodily injury results solely and directly from an accident arising out of and in the course of the employment of such servant by the insured or co-insureds.

Provided always that the liability of the company under this extension (2) C for all costs and expenses of litigation and all compensation payable (irrespective of the number of claimants claiming compensation) in respect of or arising out of any one occurrence or series of occurrences arising out of or attributable to any one source or original cause shall not exceed the sum of R2 500 000 in all.

3. Extension regarding cover whilst the contents are removed from the buildings

If and in so far as the contents insured under this section are not otherwise insured, this section extends, subject to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, to cover such contents as follows whilst such contents are removed from the insured's private residence and domestic outbuildings but remaining within the territorial limits of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique:

A) Against loss or damage caused by any of the perils specified in sub-section A whilst:

(a) in any private dwelling house/flat, hotel, inn, boarding house, club, nursing home, hospital, school or college or university or other similar educational institution, all the aforementioned in which the insured or co-insureds may be temporarily residing at the time of the loss or damage

(b) deposited for safe custody in any hotel, inn, boarding house, club (other than lock-up premises), bank, safe deposit, or furniture depository which is registered for the storage of goods

(c) temporarily in the residential section of any occupied private dwelling house/flat

(d) (i) in the building of any laundry or other trade for the purpose of making up, alteration, renovation, repair, cleaning or dyeing

(ii) in the building of any office, business or trade where the insured or co-insureds are employed

provided always that theft (or any attempt thereat) from any building mentioned in this extension is not insured unless such theft (or any attempt thereat) is accompanied by breaking into or out of such building by actual, visible and forcible means

(e) outside the insured's private residence and domestic outbuildings but on the premises on which the insured's private residence is situated. This extension covers inter alia laundry, garden furniture, gardening implements (except gardening implements normally being

controlled by a driver), gardening tools and automatic swimming pool cleaning apparatus, provided, however, that the liability of the company under this extension shall not exceed R2 500 up to a maximum of 2 separate incidents in any 12-month period of insurance. If the insured is the tenant of the residence, the insured's satellite dish which is installed on the premises is covered for the full replacement value.

B) Against loss or damage caused by any of the perils of fire, lightning, and explosion whilst in transit or temporarily elsewhere than the places mentioned in extension (3)A(a) to (e) above.

C) Against loss or damage caused by the peril of theft during the process of removal consequent upon permanent change of residence or whilst in transit to or from any bank, safe deposit, or furniture depository which is registered for the storage of goods.

D) Against loss or damage caused by the peril of theft out of a vehicle. This cover is not applicable if the vehicle is left unattended and unlocked. Property which is insurable under "clothing and personal effects" of All Risks is not covered here. The company's liability under this extension shall not exceed R1 000.

4. Optional extensions

Subject otherwise to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, this section also covers the following:

A) Accidental Damage (if stated in the schedule to be included)

Loss of or damage to contents whilst in the insured's private residence or on the premises on which the aforesaid private residence is situated.

Provided always that the company shall not be liable under this extension in respect of;

(a) loss of or damage

1. which is payable under sub-section A;
2. due to depreciation or gradual causes such as wear and tear, rust, mildew, corrosion and decay;
3. caused by household pests such as rodents, ants and moths or a cleaning, repairing or restoration process;
4. of or to tools, gardening implements, garden furniture or automatic swimming pool apparatus;
5. of or to portable computer equipment or cellular telephones;

(b) damage to glass, glassware or other brittle articles due to cracking or scratching, unless caused by theft or attempted theft or fire. Jewellery, cameras or fixed glass of television sets are not excluded;

(c) the cost of reproduction or repair of data;

(d) mechanical, electrical or electronic breakdown, unless "mechanical/electrical/electronic breakdown" is stated in the schedule under "accidental damage";

Average is not applicable to this extension

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B) Subsidence and Landslip (if stated in the schedule to be included)

Loss of or damage to contents caused by subsidence or landslip, excluding loss or damage following

(a) faulty design or construction of any building;

(b) the removal or weakening of supports of any building;

(c) architectural alterations, additions or repairs;

(d) excavations above or below ground, except excavations in the course of mining operations.

(e) If required the insured must prove that the loss or damage being claimed for was caused by subsidence or landslip.

Specific exceptions

1. The following property shall not be deemed to be insured property and shall therefore not be covered under this section

(a) property more specifically insured;

(b) any property, irrespective of whether it will be processed or not, which was obtained or is being obtained with the sole purpose of such property later being disposed of in a business transaction;

(c) any property consigned under a bill of lading;

(d) any property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique;

(e) money, securities for money, deeds, bonds, bills of exchange, promissory notes, cheques, postal and money orders, negotiable and other documents of any kind, stamps of any kind (including inter alia stamp collections), manuscripts, rare books, medals and coins of any kind (including inter alia coin collections);

(f) vehicles of any kind (including inter alia self-propelled gardening implements normally being controlled by a driver but excluding pedal cycles which are not mechanically or electrically driven/assisted) and any part (including inter alia any spare wheel, tool, spare part and accessory) of such vehicles whilst in or on or attached to such vehicles;

(g) vessels or watercraft of any kind (including inter alia canoes) and any part (including inter alia any tool, spare part, accessory and outboard motor) thereof;

(h) aircraft and other aerial devices of any kind and any part (including inter alia any tool, spare part and accessory) thereof;

(i) animals.

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2. This section does not cover:

   (a) any consequential or indirect loss or damage of any kind or description whatsoever, except loss of rent as expressly provided in sub-section B;

   (b) any loss or damage or liability or claim directly or indirectly occasioned by or through or in consequence of subsidence or landslip;

   (c) any loss or damage resulting from or caused by detention, confiscation or requisition by customs or other officials or authorities;

   (d) any loss or damage resulting from any exchange, cash or credit sale agreement, including theft under false pretence and/or fraud.

3. The company shall not be liable under this section in respect of loss or damage for which provision is made in any guarantee or service contract or in any purchase or hire/lease or hire-purchase or financing agreement or any other agreement of whatever nature regarding the insured property or any part thereof.

Specific conditions

Replacement value and Average

In the event of loss of or damage to the insured property by any of the perils insured against under this section, the basis upon which indemnity is to be calculated shall be the cost of replacing the lost or damaged property or part of it with similar new property, limited to the sum insured as stated in the schedule.

Special provisions

(a) If at the time of the commencement of any loss of or damage to the insured property by any of the perils insured against under this section the sum representing the cost which would have been incurred for reinstatement if the whole of the insured property had been damaged beyond repair, exceeds the sum insured which is stated in the schedule, 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 provision.

(b) The company will afford indemnity under this section by, at the company's own option,

   (i) either paying the value of the lost or damaged insured property to the insured in cash

   (ii) or replacing the lost or damaged insured property

   (iii) or repairing the damaged insured property

   (iv) or applying any combination of (i), (ii) and (iii) above.

(c) For the purposes of this specific condition only, the personal effects of any servant in the full-time employment of the insured or co-insureds shall not be deemed to be insured property.

Burglar alarm condition (if stated in the schedule to apply)

Notwithstanding anything to the contrary contained in the policy wording and schedule, this section is subject to the following Burglar Alarm Condition:

It is a condition precedent to our liability in respect of loss of or damage to property of the insured (or for which they are responsible) by theft or any attempt thereat from the insured building stated in the schedule that a linked alarm is to be installed and that

(a) the installed alarm as required by us is set and armed and made fully operative whenever the protected building/s is/are not occupied;

(b) loss of or damage to property insured following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such duplicate key, keypad code or remote control has been obtained by violence or threat of violence to any person or by theft;

(c) if the company who installed the said alarm system operates an armed reaction unit the contract for the said alarm shall include the armed reaction unit's services where available;

(d) such alarm shall be maintained in proper working order;

(e) the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim the company will be entitled to request full information of the relevant log.

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PERSONAL LIABILITY

Definition

For this section:

The insured includes members of their family normally resident with them.

Cover scope

1. Indemnity to the Insured

If the insured becomes legally liable to pay compensation for accidental death, bodily injury or illness or accidental loss of or damage to property occurring during the period of insurance the company will indemnify the insured up to the amount shown in the schedule for any one accident or series of accidents arising out of one event including costs and expenses recoverable by any claimant from the insured and incurred the company's written consent.

2. Credit Cards

The company will pay the insured up to an amount of R5 000 (Five Thousand Rand) in any 12 (twelve) month period of insurance against liability or loss arising from fraudulent use of the insureds' credit, cash or SIM (Subscriber Identity Module) cards by any person who is not a member of the insured' family or household. The company will not be liable to pay the insured if the insured has not reported the loss of the card to the issuing organisation as soon as reasonably possible or complied with the conditions of issue of the card.

3. Wrongful Arrest

All sums which the insured is legally liable to pay for compensation or damages in respect of wrongful arrest or alleged wrongful arrest by the insured other than

(a) a person under a contract of service or apprenticeship with the insured

or

(b) a member of the insureds family or household

which arises out of the insured activities as a member of a neighbourhood watch or a block watch group or of a similar voluntary non-profit organisation.

Provided that the amount payable for all compensation and damages and all costs and expenses of litigation and all other costs and expenses will not exceed R50 000 in respect of all death, injury illness, loss and damage sustained during any 12 month period of insurance.

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Specific exceptions

The company will not indemnify the insured for:

1. compensation payable to:
   (a) the insured or any member of the insureds family normally resident with the insured
   (b) any person acting in the course of the employment with the insured at the time of the accident other than domestic staff
   (c) the insureds directors, members, trustees or beneficiaries or members of the insureds families normally resident with the insured or if the insured is a Company, Close Corporation or Trust
2. compensation payable for loss of or damage to property in the custody or control of:
   (a) the insured or any member of the insureds family normally resident with the insured.
   (b) any person acting in the course of the employment with the insured at the time of the accident
   (c) the insureds directors, members, trustees or beneficiaries or members of the insureds families normally resident with the insured or if the insured is a Company, Close Corporation or Trust
3. compensation payable directly or indirectly due to:
   (a) the insureds employment, business or profession
   (b) the ownership of land or buildings (other than the private residence insured by Section I. and land upon which the insured is situated provided the land is used for residential purposes)
   (c) the occupation of land or buildings, other than the insureds private residence including the land or building
   (d) death or injury or loss caused to any occupant in any motor vehicle, caravan, trailer, air or watercraft (other than model aircraft, surfboard or paddle ski), operated, driven, owned by or in the custody or control of the insured or the insureds domestic staff
4. liability accepted by agreement which would not have attached in the absence of the agreement.

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PERSONAL ALL RISKS

Definition

For this section:

(a) Property insured, subject to the Specific exceptions to this Section, means:

(i) Unspecified Items

1. clothing but excluding leather jackets and coats
2. personal effects normally worn or designed to be carried on or by the person
3. personal kit normally worn or used by the person participating in sport belonging to the insured

provided that our limit of liability in respect of any one item, pair or set shall not exceed 20% (twenty percent) of the sum insured but not exceeding R2 000 (Two Thousand Rand) per item whichever is the lesser.

(ii) Specified Items

1. items of personal property as described in the schedule
2. money and/or negotiable instruments up to an amount of R1 000 (One Thousand Rand) per claim

but does not include aircraft, watercraft, motor vehicles, trailers, caravans and their accessories animals or livestock and items used by the insured for business or professional purposes such as but not limited to cameras, instruments, tools, equipment, trade goods and stock.

Cover scope

1. Indemnity

(a) Unspecified Items

If an unspecified item of property insured is accidentally lost or damaged the company will pay for it or the company may choose to repair or replace it provided that such payment or replacement does not exceed the limitation in Definition a) i) above.

(b) Specified Items

If a specified item of property insured is accidentally lost or damaged the company will pay for or may choose to repair or replace it provided that such payment or replacement does not exceed the sum insured stated against the item.

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2. Collections

2.1 Stamps

If a stamp collection is specified in the schedule

(a) The company will only be liable if one or more complete pages of the collection are lost or damaged

(b) The company's liability for any one stamp will not exceed two-thirds of the value stated in any current recognised catalogue limited to R5 000 (Five Thousand Rand) any one stamp.

2.2 Coins

If a coin collection is specified in the schedule the company will not be liable for

(a) current coins

(b) more than R5 000 (Five Thousand Rand) for any one coin.

3. Safe Deposit

In respect of any item indicated in the Schedule as being kept in a bank safety deposit box, insurance in terms of this section only applies while the item(s) is contained in such safety deposit in a bank.

4. Hole-in-one (Golf)

Provided that the insured has insured their golf equipment as specified items under this section and if the insured scores a hole-in-one playing as an amateur in a game of golf in terms of the rules at any recognised golf club the company will pay R1 000 (One Thousand Rand) per claim on written confirmation by the secretary of the club.

5. Full House (Bowls)

Provided that the insured has insured their bowls equipment as specified items under this section and if the insured is part of a team of two, three or four which, playing as amateurs, scores a full house (that is, all eight or nine woods/bowls to count) in a game of bowls in any competition played in terms of the rules of the South African Bowling Association, at any recognised bowling club, the company will pay R1 000 (One Thousand Rand) per claim on written confirmation by the secretary of the club.

6. Items in Transit

If any item of property insured and groceries including cleaning materials belonging to the insured and in the insureds custody is accidentally lost or damaged whilst in transit to or from any place of purchase, repair or renovation, the company will pay for the item or the company may choose to repair or replace it provided that such payment or replacement does not exceed R5 000 (Five Thousand Rand) per claim.

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Specific exceptions

The company will not be liable for:

(a) in respect of unspecified Items:

(i) reading and other glasses, contact lenses, hearing aids, prosthetics, walking aids (with value greater than R250 (Two Hundred and Fifty Rand), medical equipment, fire arms, pedal cycles, sporting equipment such as but not limited to golf clubs, bats, cues, golf bags, specialist bags, golf carts, roller blades and skate boards whether used for professional or recreational purposes, portable personal sound equipment such as but not limited to tape and CD players, iPod, MP3 players, car radios, navigational systems and global positioning systems or appliances, furs, musical instruments, cell phones, tablets, laptops and computers including accessories, valuables in a safe deposit box, portable television sets and medal collections and any item valued at more than R5 000 (Five Thousand Rand)

(ii) pedal cycles greater than R1 000 (One Thousand Rand), cellular telephones, tools, stamp and coin collections, money and documents

(iii) more than one audio compact disc, dvd or tape

(iv) motor vehicles (including the accessories), trailers, caravans, hang gliders, air and water craft other than surfboards and paddle skis

(v) property more specifically insured

(vi) loss or damage due to theft of clothing in excess of R1 000 (One Thousand Rand) from a washing line on the insureds private residence

(b) property insured lost from an unattended motor vehicle unless there is forcible and violent entry to the vehicle

(c) wear, tear or depreciation

(d) electrical or mechanical breakdown not accompanied by other damage

(e) the special value which any article may have as part of a set

(f) the cost of reproducing sounds, data and images on tapes, records, film or magnetic media or any other electronic media

(g) loss or damage caused:

(i) by vermin, insects, termites, moths, scratching, denting, chipping, defacing, damp, any process of cleaning, dyeing, bleaching, altering, repairing, restoring or gradually operating causes such as but not limited to rust, mildew, corrosion, wet or dry rot

(ii) by domestic animals and/or pets

(iii) by confiscation or detention by any process of law

(h) Loss, theft, destruction or damage to any cellular telephone unless the blacklisting reference number as provided by the cellular telephone service provider has been submitted to us as proof that the cellular telephone has been successfully disabled

(i) Property for which more specific cover is available under this policy whether such cover has been granted, selected or not.

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First amount payable

In respect of any claim for property insured in terms of this section, the insured will be responsible for the first amount payable stated in the schedule.

Specific exceptions

1. Evidence of Value

The company will not be liable for more than R5 000 (Five Thousand Rand) for any watch or article of jewellery unless a professional valuation dated prior to the loss but not older than 2 years is submitted.

2. Proof of Ownership

In the event of a claim, before indemnity for any one item will be considered, the insured will be required to submit documentary proof of ownership of the item being claimed for. Photographs will not be considered to be proof of ownership.

3. Inspection of Jewellery

Where any single item of jewellery exceeds R20 000 (Twenty Thousand Rand) in value it is a condition that the precious stoned settings and necklace/bracelet clasps are inspected by a qualified jeweller every two years and that any defects are remedied. Proof of such inspection having been made within the two year period prior to the date of loss or damage will be required from the insured. Failing to comply with this condition will result in the rejection of any claims for such items. Any item of jewellery in excess of R20 000 must be kept in a safe when not worn, failing to comply with this condition will result in the rejection of any claims for such item.

4. Pedal Cycles

(i) Pedal cycles and accessories left unattended outside the boundary of the residence must be attached by a security device to a permanent fixed structure.

(ii) The company will not pay for damage to the pedal cycle arising out of racing, pacing and trial runs.

5. Firearms – special terms and conditions

Subject otherwise to all the terms and conditions of this policy and for these conditions only, “safe” shall mean a SABS approved gun safe.

Failure to comply with these terms will result in rejection of a claim in respect of any loss of or damage, irrespective of the firearms being specified or not.

(i) All firearms and ammunition must be kept in a locked safe (as defined) whilst not being used or carried by the licensed owner. Failure to do so will result in the rejection of a claim in respect of any loss of or damage to such firearms.

(ii) A copy of the current firearm licence of the owner must be provided and any other compliance to any regulation relating to the possession of a firearm will be required by us in the event of a claim.

6. Cellphones

The company will not be liable to indemnify the insured against loss, theft, destruction or damage to any cellphone unless the insured has provided the blacklisting reference number as provided by the cellphone service provider as proof that the cellphone has been successfully blocked from further usage.

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