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Commercial

Body Corporate Policy

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BODY CORPORATE POLICY

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DEFINITIONS

The Company

Means Lombard Insurance Company Limited, a duly incorporated Company according to the laws of South Africa, Registration number 1990/001253/06, who is a registered Short Term insurer in terms of the Act and an authorised Financial Services provider, FSP 1596.

Period of Insurance

The period starting with the inception date of the policy and ending on the last day of the calendar month in which the inception date occurs, thereafter the period of insurance is deemed to be one calendar month. For annual policies, the period of insurance starts with the inception date of the policy and ends on the last day of the 12 (twelve) consecutive months immediately thereafter.

The policy is automatically renewed if *you* pay *your* next yearly or monthly premium in time.

The following are a summary of the definitions that appear in the Sectional Titles act No 95 of 1986 as amended by the Sectional Titles Amendment Act, Act No 63 of 1991, and any subsequent amendment and such definitions shall take precedence in the interpretation of this policy.

Body Corporate

Means the Body Corporate as defined in the Sectional Titles Schemes Management Act (no 8 of 2011) as amended or substituted named in the schedule as the insured including all owners and mortgagees of registered mortgage bonds over the units in the scheme for their respective rights and interests.

Business

The duty of a Body Corporate in term of the Act and the registered rules agreed by it.

Claim

Any request for indemnity or compensation, irrespective of whether any amounts have been determined for the claim or not.

Common Property

In relation to a scheme means:

(a) the land included in the scheme;

(b) such parts of the buildings or buildings as are not included in a section.

Director

Means any past, present or co-opted Directors of the Company but excluding any Managing Agent, Firm or Company when acting in a professional capacity or for reward.

Employee

Any employee of the Body Corporate but excluding Managing Agents.

Exterior Fixtures and Fittings

Means any external pipes, externally mounted air conditioning units and other immovable property that is not contained inside the building.

Managing Agent

Means any person, Company and its employees who have been appointed by the Body Corporate to manage the business of the Body Corporate.

Owner

All registered owners of a unit, including the spouse and children of the owner normally resident with the owner.

Participation Quota in the common Property

The participation quota of a section or of the owner of a section shall be at the proportion designated in the Sectional Plan and / or Rules of the Controlling Body.

SABS

South African Bureau of Standards

Scheme

The Sectional Titles Development Scheme.

Section

A section shown as such on the sectional plan bearing the number stated in the schedule.

Tenants' Fixtures and Fittings

Any fixture and fitting installed in or on the building by the tenant or for which the tenant is responsible in terms of a written lease agreement.

Territorial Limits

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

The Insured

The Body Corporate including all the owners and all mortgages of registered mortgage bonds over the units in the scheme for their respective rights and interests to whom the policy has been issued by the binder holder named in the schedule and from whom the premium due has been received either by the named binder holder or by the Company.

Trustees

The elected Trustees of the Body Corporate but excluding any managing agent.

Unit

A section with its undivided share in the common property apportioned to is in accordance with its participation quota.

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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.

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 1976) or any similar Act operative in any of the territories to which this policy applies.

C. Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss 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 section C – Liability)

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.

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.

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 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 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.

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.

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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.

3. A. 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.

3. B. 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.

(b) No claim 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.

9. Reinstatement of cover after loss

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 and/or Warranties

The conditions and/or warranties 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.

(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.

15. Interpretation of the policy wording

Should any dispute arise in respect of any language interpretation in the policy wording, the English version will apply.

16. Proof of ownership

The Company may require reasonable proof of ownership of any item or article that is the subject of a claim.

17. National Building Regulations

All properties and structures must comply with The National Building Regulations and Building 977 (act 103 of 1977) as amended, read with SANS 204 and SANS 10400 submitted to and approved by the local authority at the relevant time.

18. Fire Fighting Equipment / Protection

It is a condition precedent to liability under this policy that all firefighting equipment or fire protection at the premises is installed, maintained and serviced in accordance with the Regulations contained in the National Building Regulations or any other regulations as may be contained in the Emergency Services Bye-Laws.

19. Gas Installations – LP Gas

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

20. Alteration in Risk

The Company must be notified of any material changes in the risk whereby the risk of accident, and loss or damage is increased. The Company reserves the right to amend the rates, terms and conditions of the policy if the exposure is increased by the alteration in risk.

The Company shall not be liable for any loss, damage or liability caused or contributed to by the alteration in the Risk.

21. Pairs, Sets, Systems and Collections

The Company will not pay for any additional, special value that an item has because it is part of a pair, set, system or collection. The Company will only compensate you for the proportionate value of the part of the pair, set, system or collection that is lost or damaged.

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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, R50 000 (Fifty Thousand Rand) or 10% (ten percent) of the sum insured or limit of indemnity on the item affected, whichever is the lesser amount, plus any amount stated in the 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.

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. 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.

E. 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.

F. 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.

G. 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.

H. Schedule sums insured blank

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

(a) left blank or has no monetary amount stipulated against it

(b) 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.

I. 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.

J. 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.

K. Jurisdiction

This policy is subject to the jurisdiction of the courts of law of the Republic of South Africa. The Company is not liable for any loss, legal costs or expenses not incurred in the republic of South Africa.

L. Risk Surveys

We have the right to survey (by appointment) any property insured under this policy. Neither our surveyors nor our failure to survey an insured property alters the terms and conditions of this policy or your obligations in any way.

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SPECIAL EXTENSION

Riot and strike extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein sub-sections A, B, D, E and G 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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SECTION A: PROPERTY INSURANCE

Insured Events

1. Loss or Damage in Section A to the buildings at the situation stated in the schedule including all outbuildings thereto (constructed of brick, stone concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless agreed otherwise as stated in the schedule) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls, gates, posts, fences, and tarred or paved roads, driveways, paths, parking areas swimming pools and boreholes arising from an occurrence during the period of insurance by any cause not hereinafter excluded or excluded by the general exclusions.

   The term “Buildings” does not include the following:

   (a) Above ground swimming pools

   (b) Any unfixed air conditioning units, floor coverings, curtains and blinds;

   (c) Dam walls;

   (d) Gardens including but not limited to trees, plants and lawns;

   (e) Marine facilities of any kind including but not limited to jetties, docks and pontoons;

   (f) New buildings under construction;

   (g) Tenants fixtures and fittings (unless stated in the schedule to be included);

   (h) Retaining walls unless the insured has lodged with the Company prior to the occurrence of a defined event, proof that the wall(s) was/were designed and constructed exactly in accordance with a professional engineer’s design specifications.

2. 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 (thirty) 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 un-occupancy of 30 (thirty) consecutive days the insured shall become a co-insurer with the Company and shall bear a rateable proportion of any damage equal to 25% of the claim before deduction of any first amount payable. The insured shall be responsible for a first amount payable.

3. Accidental breakage or collapse of radio or television aerials, satellite dishes, aerial fittings or masts up to the amount stated in the schedule. The insured shall be responsible for a first amount payable.

4. Accidental damage to glass, including sanitary ware, fixed glass, fanlights, skylights, conservatories and verandas, stove tops and counter tops but the Company shall not be liable for loss or damage as a result of denting, chipping, cracking, scratching or disfiguration of the property or for more than the limit in the schedule. The insured shall be responsible for a first amount payable.

5. Sudden and unforeseen electrical and mechanical breakdown to;

   (a) pumps and other machinery for swimming pools, jacuzzis, sauna and spa baths excluding submersible pumps and pool cleaning equipment;

   (b) motors operating automatic gates, escalator and lift motors, borehole pumps, sewerage pumps, air conditioning plant, hoist, transformers, electrical switchgear, standby generators, garage doors motors and vehicle boom machinery;

   (c) pressure vessels such as but not limited to boilers, economisers and super heaters including the peripheral piping which are under steam gas or fluid pressure or vacuum;

   (d) but excluding damage to property resulting from or caused by wear and tear, gradual deterioration, insects, vermin or any process of cleaning, repairing, corrosion, erosion, deposit or scale, sludge or other sediment, chemical action or rust.

   Whilst:

   (i) at work or at rest;

   (ii) being dismantled for cleaning, inspection, maintenance, overhaul, moving to another part of the premises including subsequent reassembly.

   Sum Insured - new replacement value

   The Sum Insured shall be equal to the cost of replacement of the insured machinery by new machinery of the same kind and same capacity, which shall mean its replacement costs including, but not limited to: freight, dues and customs duties, if any, and erection costs.

   Average

   If on the occurrence of a defined event the sum insured is less than the installed new replacement value of the insured machinery, then the insured shall be considered their own insurer for the difference and shall bear a rateable proportion of the loss. Every item, if more than one, shall be subject to this condition separately.

   Definitions

   Repairable damage is defined as damage for which the cost of restoration is less than the market value of the item on the occurrence of the defined event.

   Indemnity

   The amount payable shall be:

   (a) Repairable damage

      (i) The cost of restoration of the insured machinery to its condition immediately prior to the defined event, being the value of replacement parts, labour and transport/ freight costs at normal rates to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the Sum Insured, (including any necessary dismantling and re-erection costs) without any deduction for betterment other than an appropriate allowance for parts or equipment that can be re-used in any way.

      (ii) If the repairs are executed at a workshop owned by the Insured, the Company will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

(iii) No deduction shall be made for depreciation in respect of pads replaced, but the value of any salvage will be taken into account.

(iv) If the cost of repairs as detailed herein above equals or exceeds the actual value of the Machinery Insured immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (2) below.

(b) Damage which is unrepairable

In the event that an Insured Item is destroyed or is unrepairable, the Company will pay the actual value of the item immediately before the occurrence of the loss including costs for any necessary dismantling of the machinery destroyed, provided such expenses have been included in the Sum Insured. The value shall be calculated by deducting depreciation from the new replacement value of the item less the value of any salvage.

Extra charges

The sum insured includes provision for overtime, night-work, work on public holidays, and express airfreight transportation but the Company‘s liability is limited to fifty percent of the total repair or reinstatement costs.

The Company shall not be liable for more than the limit stated in the schedule per occurrence.

The insured shall be responsible for a first amount payable.

Specific Exclusions

The Company shall not be liable for:

(a) the first amount payable;

(b) loss or damage due to fire, lightning, explosion and extinguishing of a fire or damage by any other cause otherwise covered by this policy;

(c) theft or attempts thereat, collapse of buildings, impact by animals, vehicles, aircraft, other aerial devices dropped therefrom including sonic shock waves.

(d) water which escapes from water containing apparatus including leakage or discharge from any sprinkler or drencher system;

(e) 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;

(f) loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract;

(g) temporary repairs and any consequences resulting therefrom;

(h) 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;

(i) 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;

(j) 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;

(k) 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);

(l) consequential loss or liability of any kind or description;

(m) damage resulting from the misapplication of tools or from experiment, overhauls or tests requiring the imposition of abnormal conditions.

(n) the value of damaged parts which can be used in any way whatsoever.

(o) any costs related to the repairing or replacing of any foundations, masonry or refractories.

(p) damage that occurs during the manufacturers guarantee.

(q) the Company shall not be liable for more than the limit stated in the schedule per occurrence.

6. Sudden and unforeseen bursting, leaking, overflowing or escape of water or oil from water tanks, apparatus or any fixed water or oil-fired heating installation, including damage to such tanks, apparatus or but excluding any damage as a result of wear and tear, rust or gradual deterioration. The Company shall not be liable for more than the limit in the schedule per event for each and every replacement geyser or repairs thereto. The insured shall be responsible for a first amount payable.

If at the time of a loss the insured selects to replace the geyser system with a solar geyser, photo-voltaic cell system or heat pump or any other similar energy saving system (not exceeding the current capacity), the Company will pay an additional 25% (twenty five percent) of the value of the upgrade. If the geyser can be repaired, and the cost of repair is less than 20% (twenty percent) of the limit stated in the schedule , then the Company will pay the cost of repair and no first amount payable will apply.

Specific Exclusions

The Company will not be liable for

(a) the amount stated as the first amount payable.

(b) more than the amount stated in the schedule.

(c) any costs incurred for normal maintenance and repair.

(d) any part of the geyser which is covered by the guarantee/warranty.

7. 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. The Company shall not be liable for more than the limit in the schedule per occurrence.

The insured shall be responsible for a first amount payable.

8. Power surge

Loss or damage to the property insured The Company will indemnify 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.

(ii) The Company shall not be liable for more than the limit stated in the schedule per occurrence.

(iii) The insured shall be responsible for a first amount payable

9. All Risks

Theft, accidental damage or misfortune not otherwise excluded to garden equipment such as but not limited to, lawn movers, edge trimmers, leaf blowers, cleaning and maintenance equipment, garden furniture forming part of the common property, and gardening tools or any other item as specified in the schedule. The Company shall not be liable for more than the limit stated in the schedule per occurrence.

The insured shall be responsible for a first amount payable.

Specific Exclusions

The Company shall not be liable for:

1. loss or damage to the property resulting from or caused by:

   (a) theft, unless accompanied by forcible and violent entry or exit from any buildings as defined in this section;

   (b) the dishonesty of any trustee or employee whether acting alone or in collusion with others;

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

2. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded.

10. Automatic Sprinkler System

Costs and expenses necessarily incurred by the insured in complying with any legal requirements to upgrade or replace undamaged portions of any automatic sprinkler system, or automatic drencher, gas or foam installation following damage by an insured peril provided that the total amount recoverable shall not exceed the sum insured. This peril will only be operative if the insured can produce evidence of a current ASIB certificate at the time of the loss.

LOMBARD
Commercial

Section A - Specific Exclusions

(In addition to any specific exclusions stated in the wording)

The Company shall not be liable for loss or damage arising directly or indirectly from or caused by:

(i) any process necessarily involving the use or application of water;

(ii) wear and tear, corrosion, rust or oxidation, fading, chipping, scratching or marrying, decay, gradual deterioration or developing flaws, concrete or brick “cancer”, normal upkeep;

(iii) or aggravated by mildew, damp, rise in the underground water table including acid mine drainage and/or spillage, erosion, rising damp, rust, corrosion, wet or dry rot, mould and disease;

(iv) 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;

(v) impact damage to trees, aerials, satellite dishes, vehicles or property in or on such vehicles and death or injury to any animal;

(vi) inherent vice, latent defect, defective design, defective workmanship, defective construction, defective materials, structural defects;

(vii) settlement, seepage, shrinkage or expansion of the underlaying land including contraction or expansion of clay or similar soils, subsidence and landslip;

(viii) interference with or the removal or weakening of the buildings support including any cracking or collapse of the property insured but not applicable to insured event 3;

(ix) domesticated and/or wild animals, birds, vermin and/or insects;

(x) excavations on or under land including any resultant damage caused by vibration, other than excavations in the course of mining operations;

(xi) corrosion, contamination, deformation, distortion, seepage, rust and oxidisation, humidity, exposure to ultra violet radiation and the spalling of concrete from any cause whatsoever;

(xii) the use of any cutting, grinding or welding apparatus including the use of any type of other tool unless actual ignition follows;

(xiii) any process of alteration, bleaching, cleaning, construction, demolition (otherwise than as provided for by this policy), dyeing, experimentation, manufacture, refurbishing, renovation, repair, restoration or servicing;

(xiv) the discharge or leakage of chemicals, oils, fluids, gases or fumes except for the sudden and unforeseen escape of oil from heating apparatus forming part of the building or discharge or leakage from fire extinguishing equipment installed in or on the buildings;

(xv) theft or neglect by tenants of the insured;

(xvi) theft or malicious damage if the building is vacant for an uninterrupted period exceeding 30 days unless the prior written consent of the Company is obtained. This exclusion applies separately to each unit forming part of the Body Corporate as defined;

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

(xviii) malicious damage otherwise than as specifically catered for in the malicious damage extension;

(xix) damage covered by any guarantee, service contract or any other purchase contact to agreement;

(xx) the necessity to unblock wastewater and sewerage pipes, including the cost of repairing leaks from any item or part forming part of the premises including but not limited to taps, pipes and swimming pools;

(xxi) chipped, broken or lifted tiles, pavers or surrounds of swimming pools, spar baths and Jacuzzis;

(xxii) any pre-existing loss or damage that occurred prior to the commencement date of this policy;

(xxiii) damage to glass the responsibility of any tenant including any glass (including laminated glass) unless fractured though the whole thickness;

(xxiv) consequential loss or damage whatsoever except as provided for under loss of rent (see Section B) and loss of water as provided for under extension "metered water" of this section;

(xxv) wind, rainwater or hail to any shade nets, canopies, awnings or blinds made of textile or fabric older than 5 years;

(xxvi) change in texture or finish, creeping, heaving or vibration;

(xxvii) demolition ordered by any lawful authority due to the insured's or any agent of the insureds failure to obtain necessary building, construction or development consents or permits;

(xxviii) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat;

(xxix) roots of trees or other plants.

Specific Conditions

1. Average (not applicable to insured events 4 and 5 above)

   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.

   In terms of the Sectional titles act No 95 of 1986 as amended by the Sectional Titles Amendment Act, Act No 63 of 1991, and any subsequent amendment this condition applies to each individual unit/section separately and not to the total of the property insured.

Clauses and Extensions

Annual Inflation Clause

The sums insured for buildings will be adjusted annually, the insured amount will be increased by the inflation percentage shown in the schedule annually.

The sum insured must make provision for debris removal, professional fees and demolition costs. The insured is responsible for ensuring that the property is insured for the full replacement value as stipulated by the Sectional Title Act as amended.

Escalator Clause

During each period of insurance, the building 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.

Architects and other professional fees clause

The insurance under 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 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 a claim.

Capital additions clause

The insurance under section A 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% of the sum insured thereon, it being understood that the Insured undertakes to advise the Company each quarter of such alteration, additions and improvements and to pay the appropriate additional premium thereon.

Cost of demolition and clearing and erection of hoardings clause

The insurance under section A includes costs necessary 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 amounts recoverable shall not exceed the sum insured on the property affected.

The Company will not pay for any cost or expenses

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

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

Energy Performance and Sustainable Buildings

The insurance under section A includes:

1. Additional costs incurred to reinstate the damaged property to a standard above the minimum required under the prevailing National Building Regulations (SANS 10400 Part XA) or other regulations under any Act of parliament or bye-laws of any public authority, carried out in order to obtain the Green Star SA Certification issued by the Green Building Council of South Africa.

2. The reasonable additional cost arising from the use of alternative materials or sources of materials in accordance with the principles of the National Building Regulation on Environmental and Sustainability standards.

   Provided always that:

   (a) The total amount recoverable under this clause shall not exceed 10% of the sum insured on the property affected

   (b) the Company will not be liable for any undamaged portions of the Property Insured

(c) the Company will not be liable for the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of the works funded by the application of this clause.

(d) the Company will not be liable for the cost incurred in complying with National Building Regulations or any other regulations under or framed in pursuance of any Act of parliament of bye-laws of any public authority under which notice has been served upon the Insured prior to the happening of the damage.

(e) if the liability of the Company is reduced by the application of average, the liability of the Company under this clause will be reduced in like manner.

Cover during structural alterations

Whist the buildings are being erected or structurally altered, cover for loss or damage to the buildings is limited to the following insured perils.

(a) fire, lightning, explosion, earthquake, impact by vehicles other than the building contractor's devices or articles dropped there from.

(b) storm, wind, hail or snow damage to those parts of the building not being erected or only being structurally altered.

Loss or damage to:

(i) public supply or mains connections.

(ii) glass and sanitary ware.

(iii) the Insured's garden.

will only apply if such loss or damage did not arise directly or indirectly from the building operations.

Specific Exclusions

Unless specifically stated to the contrary, the Company will not indemnify the insured for:

1. Loss or damage directly or indirectly caused by or contributed to arising from:

   (i) faulty or defective design, materials or workmanship;

   (ii) inherent vice or latent defect;

   (iii) gradual deterioration or wear and tear, vermin or insects (inadequate or lack of maintenance;

   (iv) cracking, splitting or rupturing unless the Insured can prove that such loss resulted directly from one of the insured perils;

2. Any property not erected and built in accordance with recognized and general building specifications and methods of construction.

3. Loss or damage to retaining walls unless erected in term of architectural and / or engineering specifications, proof of which must be supplied by the Insured.

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.

Subsidence and landslip extension (Limited Cover)

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.
4. existing damage at the inception date of the policy.
5. the first amount payable.

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.
4. the first amount payable.

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.

Garden landscaping

The Company will indemnify the insured for the cost of reinstating landscaped gardens forming part of the insured property or removing fallen trees following damage to the insured buildings as a result of the defined events insured by this section.

Provided that;

(a) such cost shall not exceed the limit stated in the schedule in any 12 (twelve) month period.

(b) the Company shall not be liable for the first amount payable.

Generator hire

The Company will indemnify the insured for the actual hiring cost of a generator (or other suitable power generating equipment) following a loss at the premises and for which the Company has accepted liability under this section of your policy provided that:

(a) such cost shall not exceed the limit stated in the schedule in any 12 month period;

(b) the duration of such hiring period shall not exceed 14 days per occurrence.

(c) the Company shall not be liable for the first amount payable.

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, keys tags and remote access devices to any of the Insured premises as defined under Defined Event 1 following upon the disappearance of any key to such premises or following upon the Insured having reason to believe that an unauthorised person may be in possession of a duplicate of such key provided that:

(a) such cost shall not exceed the limit stated in the schedule in any 12 (twelve) month period;

(b) the Company shall not be liable for the first amount payable .

Metered Water

The Company will indemnity the insured for the cost of water lost from leaking pipes at the Insured premises as defined under insured event 1 if the insured is responsible for paying such costs provided that:

(a) The Company will only indemnify the insured if the water reading is above the average of the previous 4 readings by 50% or more.

(b) If a leak is discovered either by physical evidence or from an abnormally high water bill, the insured must immediately take steps to repair the pipes otherwise the Company will not be liable for such costs.

Specific Exclusions

The Company shall not be liable for water lost from:

(a) leaking taps, geysers, or toilets;

(b) swimming pools or leaks in their inlet or outlet pipes;

(c) leaks that occur when any unit or any other premises as defined under Insured Events 1 are not occupied for more than 30 days.

Provided that:

(i) such cost shall not exceed the limit stated in the schedule in any 12 (twelve) month period.

(ii) the Company shall not be liable for the first amount payable.

(iii) the Company shall not be liable for more than a maximum of 2 (two) separate incidents of this kind in each 12 (twelve) month period.

Tracing of Leaks

The Company will indemnify the insured for the costs necessarily and reasonably incurred by the insured in locating the source of leaking, bursting, discharging, or overflowing of tanks, apparatus or pipes used to carry water or oil.

Provided that;

(a) such cost shall not exceed the limit stated in the schedule in any 12 (twelve) month period.

(b) the Company shall not be liable for the first amount payable.

Removal of water from basements

The company will indemnify the insured up to the limit stated in the schedule for the necessary and immediate removal of water from the basement of the building directly caused by a storm event covered by this section. The company will not pay if the water inundation is caused by any excluded peril

Tenants Fixtures and Fittings (If stated in the schedule to be included)

The Company will indemnify the insured up to the amount stated in the schedule for any loss or series of losses arising out of one event, for damage to tenants fixtures and fittings permanently attached to the insured building arising from damage covered under Section A of this policy.

Provided that:

(i) such cost shall not exceed the limit stated in the schedule.

(ii) the Company shall not be liable for the first amount payable.

(iii) the Company will only pay in excess of the cover provided under any other policy covering the tenant's fixtures and fittings.

Fragile Counter Tops

Where it is required for an undamaged counter top to be removed to effect repairs as a result of damage insured by this section, the Company will pay the reasonable costs for the counter top to be replaced in the event that the counter top is damaged in this process.

Provided that :

(i) such cost shall not exceed the amount stated in the schedule.

(ii) the Company shall not be liable for the first amount payable.

Theft of Exterior Fixtures and Fittings

Damaged caused by theft or any attempt thereat of exterior fixtures and fittings will be limited to the amount stated in the schedule.

Provided that:

(i) such cost shall not exceed the amount stated in the schedule.

(ii) the Company shall not be liable for the first amount payable.

(iii) the building does not become unoccupied for more than 30 (thirty) consecutive days. Should the building become unoccupied for more than 30 (thirty) consecutive days, this extension is suspended.

Mobility cost

In the event an owner or tenant suffering permanent disability of such a nature that he/she needs, and can operate, a self-powered (or otherwise), climbing wheelchair including associated equipment, the Company will indemnify the insured person for costs of such alterations to the person's unit to efficiently operate such wheelchair up to a maximum liability of the limit stated in the schedule.

Provided that:

(i) such cost shall not exceed the limit stated in the schedule in any 12 (twelve) month period.

(ii) the Company shall not be liable for the first amount payable.

(iii) the Company shall not be liable for more than a maximum of 2 (two)separate incidents of this kind in each 12 (twelve) month period.

Medical, Trauma and Bereavement Costs

If any watchman, caretaker, building supervisor or gardener in the permanent employment of the insured for the purposes of safe-guarding or maintaining the property described in the schedule is the victim of unlawful physical assault while in the course and scope of his/her employment, the Company will indemnify the insured on behalf of such employee or employee's estate :

1. Up to the limit stated in the schedule in respect of medical costs and expenses, including ambulance and hospital fees,

2. Up to the limit stated in the schedule in respect of trauma counselling necessitated by such unlawful physical assault,

3. Up to the limit stated in the schedule in respect of bereavement expenses following the death of the employee directly caused by the unlawful physical assault and occurring within three months of such unlawful assault,

provided that,

(a) any medical costs and expenses recoverable or received in terms of any Workmen's Compensation Enactment shall be deducted from the indemnity provided under (1) above,

(b) the Company's maximum liability for each and every claim per person is limited R 10 000.

Cover under the medical costs extension 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

If an insured event for which the Company has admitted liability under the policy causes trauma to the Insured or to an employee or guest of the Insured, the Company shall pay the costs necessarily incurred for post-trauma counselling provided that:

(i) such cost shall not exceed the limit stated in the schedule in any 12 (twelve) month period.

Pet housing

In addition to any payment in respect of a Defined Event, the Company will indemnify the Insured in respect of the cost of the temporary housing of a pet at a recognised and registered pet housing facility.

Provided that:

(i) such cost shall not exceed the limit stated in the schedule in any 12 (twelve) month period.

(ii) the Company shall not be liable for the first amount payable.

(iii) the Company shall not be liable for more than a maximum of 2 (two) separate incidents of this kind in each 12 (twelve) month period.

(iv) the Company shall not be liable for any veterinary fees incurred.

Guards

The Company will pay for the costs incurred by the insured in order to provide temporary protection of the insured property and security of the occupants pending the repair, replacement or rebuilding of damaged property which is insured under Section A of this policy.

Provided that :

(i) such cost shall not exceed the limit stated in the schedule in any 12 (twelve) month period.

(ii) the Company shall not be liable for the first amount payable.

Interest of the Mortgagee

This insurance as to the interest of the Mortgagee (s) in the buildings, improvements, landlords' fixtures and rent insured and shall not be invalidated by:

(a) any act or neglect of the Body Corporate or any of the owners of units as defined in the Sectional Titles Act, Act no 95 of 1986, as amended or replaced from time to time, or

(b) by any misrepresentation or non-disclosure by the Body Corporate or any of the owners of the units at the time when the Insurance is affected or renewed or during the currency thereof, or

(c) by the alienation of the property, or

(d) by the occupancy thereof for purposes more hazardous than are permitted by the policy provided that

(i) such act, neglect, misrepresentation or non-disclosure, alienation or occupation shall have been affected without the knowledge or privy of the Mortgagee (s) and;

(ii) the Mortgagee (s) shall notify the Company of the happening of existence of such act, neglect, misrepresentation, non-disclosure, alienation, occupation as soon as same shall come to his or her knowledge

(iii) the Mortgagee (s) shall, on reasonable demand, pay the additional charge for any increase of hazard thereby created according to the established scale of rates, for the time such increased hazard may be, or shall have been, assumed by the Company during the continuance of the insurance, and

(iv) any compensation payable in terms of this section shall be payable direct to the Mortgagee (s) of the particular unit in the order of preference of their bonds up to the value allocated to the particular unit in this policy or the aggregate of the amounts due by the unit owner to the mortgagees under their mortgage bonds, whichever is the lesser.

All and any amounts becoming payable by the Company under this insurance policy as a result of damage to or destruction of the buildings, improvements or landlord's fixtures shall unless otherwise resolved or ordered in terms of Section 48 of the Sectional Titles Act, be wholly applied to the reinstatement of such damage. If it is resolved or ordered in terms of Section 48 of the Sectional Titles Act that such damage should not be reinstated, the proceeds of any claim applicable to the unit shall be made in the first place to the Mortgagee (s) of the particular unit in the policy or the aggregate of the amounts due by the unit owner to the mortgages under their mortgage bond, whichever is the lesser.

The Condition of Average clause incorporated within the policy applies to individual units (excluding the owner's interest in the land) and not to the property as a whole.

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.

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 are 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, Mozambique & 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.

Tenant's 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.

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 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% (twenty percent) of the claim before deduction of any first amount payable.

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SECTION B: RENT

Loss of Rent Receivable from Tenants

Loss of rent/levies as a result of the property insured being so damaged by any of the insured events specified in section A as to be rendered untenantable but only for the period necessary for reinstatement and for an amount not exceeding 30% (thirty percent) of the sum insured on the affected property. The basis of calculation shall be the rent/levies receivable in respect of the unit or section (unfurnished) immediately preceding the damage or its equivalent in rental value.

Owners Alternative Accommodation

In consequence of the property being so damaged by any of the insured events specified in section A as to be rendered untenantable but only for the period necessary for reinstatement and for an amount not exceeding 30% (thirty percent) of the sum insured on the affected property. The basis of calculation shall be the reasonable costs of equivalent accommodation (unfurnished) immediately preceding the damage.

Extensions

Prevention of access extension

If property within a 10km radius of the premises stated in the schedule is lost or damaged by a peril defined in sub-section 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 incurred by the Insured 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 in the rent payable immediately preceding the loss or damage or its equivalent rent value.

Public Authority Closure

Loss of rent for a tenanted unit or temporary accommodation costs for an owner occupied unit incurred as a result of the unit not being able to be inhabited by reason of an order of a government authority made during the Period of insurance because of a murder or suicide occurring at the situation.

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SECTION C: PUBLIC LIABILITY (CLAIMS MADE BASIS)

Defined Events

Damages which the insured shall become legally liable as owner (but not as a occupier) of the property to pay consequent upon death of or bodily injury to or illness of any person (hereinafter termed injury) or loss of or physical damage to tangible property (hereinafter termed damage) which occurred in the course of or in connection with the ownership of the insured property 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.

Retroactive Date shall mean the date stated in the schedule.

The Limits of Indemnity

The amount payable, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants and all other costs and expenses incurred with Company's consent for any one event or series of events with one original cause or source, will not exceed the limit of indemnity stated in the schedule.

Specific Exceptions

The Company will not indemnify the Insured in respect of:

1. injury or damage sustained
   - (a) by any member of the same household as the Insured;
   - (b) by any trustee or person employed by the Insured under a contract of service or apprenticeship and arising directly from and in the course of such trusteeship or employment by the Insured;
   - (c) by any other person resulting from the ownership of, or use by, or on behalf of the Insured of mechanical propelled vehicles (except pedal cycles and lawnmowers);
   - (d) the demolition, construction renovation or addition to any structure at the premises;
   - (e) and arising from any business, trade or profession carried on by the insured at the premises otherwise than the management of the premises.
2. damage to property
   - (a) (i) belonging to the Insured;
     - (ii) in the Insured's custody or control, or in the custody or control of any trustee or employee;
   - (b) caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
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 exclusion shall not apply where such seepage, pollution or contamination is caused by sudden, unintended and unforeseen occurrence;

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

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

5. fines, penalties, awards, punitive, exemplary or vindictive damage.

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,

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

7. liability consequent upon injury or damage:

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

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

(c) caused by or through or in connection with:

(i) the refuelling of aircraft;

(ii) the ownership, possession, maintenance, operation or use of aircraft or an airline;

(iii) the ownership, hire or leasing of any airport, airstrip or helicopter pad.

(iv) the ownership of or use of any watercraft

8. any claim arising from an event known to the insured:

(a) which is not reported to the Company in terms of General condition 6;

(b) prior to inception of this section.

9. any claim (in the event of cancellation or non-renewal of this section) not first made in writing against the insured within the 48 (forty-eight) month period (or extended period in respect of minors) as specified in General condition 2 (two).

10. this policy will not cover any claim arising out of deliberate, conscious or intentional disregard by the Insured's technical or administrative management of the need to take all reasonable steps to prevent claims.

11. first amount payable
The insured will be responsible for the first amount payable as stated in the schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or original cause. The provisions of this clause will apply to claims arising from injury and/or damage and will apply to costs and expenses incurred by the insured.

Memoranda

In respect of this section only, General exception 2 is deleted and replaced by the following:

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

Specific Conditions

1. Any claim 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 (forty-eight) 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 (forty-eight) months will be extended until the expiry of 12 (twelve) 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 (fifteen) days after cancellation or non-renewal, provided

      (i) such event occurred during the period of insurance

      (ii) any subsequent claim first made in writing against 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 (forty-eight) 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

Top up Liability (If stated in the schedule to be included)

The Company has arranged the issue of Top up Liability in excess of the indemnity limit of R2 500 000 (two million five hundred thousand Rand) provided by this section of the policy.

This cover is issued on exactly the same terms, exceptions and conditions as this policy for a limit of Indemnity as stated in the schedule.

Cross liabilities

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 insured will 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.

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 insured's death, any personal representative of the insured in respect of the liability incurred by later;

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

   for the purposes of this extension, the Company waives all rights of subrogation or action that they may have or acquire against any of the above, and each party to whom the indemnity hereunder applies shall observe, fulfil and be subject to the terms, exclusions and conditions (both general and specific) of this insurance in so far as they can apply

3. **Legal defence costs**

   If the Insured so requests, the Company will indemnify any trustee or employee of the Insured against costs and expenses not exceeding R50 000 (Fifty Thousand Rand) in any one event and R100 000 (One Hundred Thousand Rand) in any one (annual) period of insurance and incurred by and on behalf of such a person with the Company's consent in the defence of any criminal action brought against such person in the course of his occupation with the Insured arising from an alleged contravention of the statutes as herein defined during the period of insurance provided that:

   (i) in the case of an appeal, the Company shall not indemnify such person unless a senior counsel approved by the Company shall advise that such appeal should, in his opinion, succeed;

   (ii) the Company shall not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any loss consequent thereon;

   (iii) such person shall, as though he were the Insured, observe, fulfil and be subject to the terms, exclusions and conditions of this policy and this section thereof in so far as they can apply.

The Statutes

The Occupational Health and Safety Act, Act No. 85 of 1993 (as amended),

The Mines and Works Act No. 27 of 1956 (as amended),

The Compensation for Occupational injuries and diseases act (no 130 of 1993) (as amended)

The Electricity Act, Act No 40 of 1958 (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, 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.

4. Wrongful arrest and defamation

The defined events are extended to include damages:

1. resulting from wrongful arrest (including assault in connection with such wrongful arrest);
2. in respect of defamation.

Provided always that the limits of indemnity as stated will not exceed R50 000 (Fifty Thousand Rand) under each of 1. and 2. and R100 000 (One Hundred Thousand Rand) in any one (annual) period of insurance.

5. Security firms

Notwithstanding specific exception 3, if in terms of a contract with a security Company engaged to protect the insured property at the premises stated in the schedule, the insured become legally liable for the acts or omissions of the employees of the security Company in the course of protecting the insured premises, then this section includes such legal liability to the extent that indemnity would have been granted under this section had the said employees been under a contract of service to the insured and not to the security Company, but not exceeding the limit of liability stated in the schedule of this section. If, at the time of an event giving rise to a claim, the security firm is entitled to indemnity under any other policy in respect of the same event, the Company will not be liable to make any payment except in respect of any amount above the amount payable under such other policy.

6. Emergency medical expenses

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.

7. Car parks

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

Trustee's Indemnity (Claims Made Basis)

The Company will indemnify

1. the Trustees for all sums that they shall become legally liable to pay for which they are not indemnified by the Body Corporate or;
2. the Body Corporate for all sums they shall become legally liable to pay for which they grant indemnification to the Trustees as permitted or required by the Act, Regulations and Management Rules, which occurred on or after the retroactive date shown in the schedule in respect of any claim first being made against the Trustees and/or Body Corporate in writing during the period of insurance.

Provided that:

(i) the Company's limit of indemnity (including all costs and expenses) shall not exceed the limit stated in the schedule for any one event and in any one (annual) period of insurance.

(ii) the insured shall be responsible for a first amount payable.

Definitions

Act

The Sectional Titles Act No. 95 of 1986 as amended or replaced from time to time.

Business

The duties of a Body Corporate in terms of the Act and the registered rules agreed by them.

Body Corporate

The controlling body of the buildings in the Sectional Title Development Scheme.

Claim

1. a written or verbal allegation of any Wrongful Act communicated to the Trustees and/or the Body Corporate or;
2. a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading against the Trustees and / or the Body Corporate alleging any Wrongful Act or;
3. a criminal proceeding commenced by summons or charge against the Trustees and/or the Body Corporate alleging any Wrongful Act;

Costs and Expenses

Costs, charges and expenses incurred by the Company or with the Company's consent in the investigation, defence, monitoring or settlement of any Claim.

Employee

Any employee of the Body Corporate but excluding any Managing Agents.

Loss

The amount payable in respect of a claim made against the Trustee(s) and/or the Body Corporate for a wrongful act and will include damages, judgments, settlements, orders for costs and costs and expenses.

Owner

All registered owners of a Unit including the spouse and children and other persons normally residing with him/her.

Trustee(s)

The elected Trustees of the Body Corporate.

Unit(s)

The section designated on the Sectional Plan including its undivided share in the common property apportioned to it in accordance with its participation quota.

Wrongful Act(s)

Any error, misstatement, act or omission, neglect or breach of duty made, committed, attempted or allegedly made, committed or attempted by the Trustees or any matter claimed against the Trustees solely by reason of the Trustees serving on the Body Corporate as Office Bearers.

Where any such wrongful act results in more than one claim all such claims will jointly constitute one Loss and be deemed to have originated in the earliest policy year in which any of such Wrongful Acts is first reported to the Company.

Specific Conditions

1. A Trustee must give the Company written notice of any claim made against the Trustee within 21 days of receipt of the claim.
2. The Trustee and the Body Corporate must give all reasonable assistance to and cooperate with the Company in the defence of any claim at the Trustee's and the Body Corporate's cost.
3. The Trustee nor the Body Corporate may admit liability, settle any claim, assume any obligation nor incur any defence costs without the Company's prior written consent.
4. The Company will have the right to negotiate, defend or settle any claim against the Trustee in the Trustee's name and the Company will have full discretion in the conduct of any proceedings or in the settlement of any claim.
5. If the Company is liable hereunder to provide indemnity for only part of a loss because either:
   (a) a claim includes matters both covered and not covered hereunder; or
   (b) a claim is made against a Trustee and other persons (including but not limited to the Body Corporate) then the Company and the Trustee must use their endeavours to agree

a fair allocation of Loss (including in relation to defence costs) between Loss covered and Loss not covered hereunder having regard to:

(i) the Trustee's relative legal exposure to liability in respect of matters covered and not covered hereunder; and

(ii) the Trustee's and the other person's relative legal exposure to liability in respect of the claim.

Where the Company and the Trustee are unable to agree upon a fair allocation of Loss, the Company will be entitled to brief Senior Counsel (to be mutually agreed or, in default of agreement, to be selected by the then President of the local Bar Association or Council, or equivalent organisation in the relevant Territory) to provide an opinion binding on the Trustee and the Company as to the fair allocation of Loss. The costs of obtaining this opinion will be paid by the Company as part of the defence costs.

6. In the event of cancellation or non-renewal of this contract

(a) any claim resulting from a reported event, first made in writing against the Body Corporate and/or the Trustee during the 36 (thirty-six) months immediately following cancellation or non-renewal shall be treated as having been made against the Body Corporate and/or the Trustee on the same day that the Body Corporate and/or the Trustee reported the event. If the claimant is a minor, the period of 36 (thirty-six) months will be extended until the expiry of 12 (twelve) months after the attainment of majority by the claimant.

(b) The Body Corporate and/or the Trustee may report an event in terms of the Compliance clauses to the Company for up to 15 (fifteen) days after cancellation or non-renewal, provided that,

(i) such event occurred during the Contract Period,

(ii) any subsequent claim first made in writing against the Body Corporate and/or the Trustee 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 36 month period specified in 6(a)above.

7. Any series of claims made against the Body Corporate and/or the Trustee by one or more than one claimant during any Contract Period 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 Body Corporate and/or the Trustee, on the date that the event was reported by the Body Corporate and/or the Trustee in terms of the Compliance clauses, or if the Body Corporate and/or the Trustee were not aware of any event which could have given rise to a claim on the date that the first claim of the series was first made in writing against the Body Corporate and/or the Trustee.

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Specific Exceptions

The Company will not indemnify the Insured in respect of:

(a) any claim first made prior to the policy period, notified to us or any other insurer.

(b) any liability for the payment of VAT.

(c) any remuneration or other monies to which the Body Corporate or Trustee's is/ are legally liable.

(d) any indemnity claimed or claimable in terms of any other insurances.

(e) any claim(s) of which the Trustees and/or Body Corporate were aware prior to the policy period.

(f) death, bodily injury, sickness or disease of any person or any damage to property.

(g) any trustee(s) committing any wrongful act(s) knowing such action(s) to be illegal, fraudulent or of malicious intent, but this exclusion shall not apply to any innocent party affected by such act(s).

(h) any libel, slander or other defamatory or disparaging material.

(i) fines, penalties, punitive or exemplary, vindictive or aggravated damages.

(j) any monies or gratuity given to any Trustees(s) without consent from the Body Corporate where such consent is necessary pursuant to the Management Rules of the Body Corporate or prescribed law.

(k) a conflict of duty or interest of any Trustee(s).

(l) (a) 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, Mozambique.

(b) costs and expenses of litigation recovered by any claimant from the Trustee(s) and / or the Body Corporate which are not incurred in and recoverable in the territories described in (l)(a) above.

(m) any profit or advantage gained by a Trustee where that Trustee was not legally entitled or for which the Trustee may be held accountable to the Body Corporate, Unit Owner or any other person or entity.

(n) any warranty or guarantee.

(o) any trading or personal debt of a Trustee or the Body Corporate.

(p) breach of any obligation owed to any employee of a trustee or the Body Corporate.

(q) any wrongful act made or in any way intimated before the inception date of this insurance.

(r) any intentional exercise of the power of the Trustees(s) for the purpose other than the purpose for which such powers were conferred by the Management Rules of the Body Corporate.

(s) the effecting or maintenance of insurance, or any failure to effect or maintain insurance.

(t) any first amount payable stated in the schedule.

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Employers 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, Malawi and Mozambique.

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 (forty-eight) 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 (forty-eight) months will be extended until the expiry of 12 (twelve) 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 (fifteen) days after cancellation or non-renewal, provided that

      (i) such event occurred during the period of the 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 subject to the 48 (forty-eight) 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.

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 (forty-eight) month period (or extended period in respect of minors) as specified in Specific condition 2.

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.

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SECTION D: OFFICE CONTENTS

Defined Events

Loss of or damage to the contents (other than documents and electronic data processing equipment) including landlord's fixtures and fittings the property of the Body Corporate or for which the Body Corporate is responsible 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 R3 500 (three thousand five hundred) per person while contained in the offices, consulting rooms, foyer, clubhouse, gatehouse, reception, laundry situated as stated in the schedule (hereinafter called the office premises) by any of the perils specified in sub-section A Contents.

Definition

Electronic data processing equipment

Means all computers and all related hardware, peripherals and computer software and the information or data stored therein or thereon.

Office Contents

Means unfixed moveable property such as furniture, office contents, gym equipment, garden tools, cleaning and other tools and equipment but excluding electronic data processing equipment and documents.

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.

Limit of Liability

The liability of the Company under this section shall not exceed the sum insured as stated in the schedule.

Specific Condition

Average (not applicable to peril 6 above nor to the theft by forcible entry extension if on a first loss basis)

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.

Specific Exceptions (applicable to sub-section A)

This sub-section does not cover

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

(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 amount payable.

Clauses and Extensions

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, tags and remote access devices to any insured Office premises following upon the disappearance of any key 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 provided that

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

(ii) the Company shall not be liable for the first amount payable.

Malicious damage extension

Subject otherwise to the terms, conditions, exceptions and warranties contained therein, sub-sections A, is 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), or (d), 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 (Thirty) consecutive days, the insured shall become a co-insurer with the Company and shall bear a proportion of any damage equal to 20% (Twenty Percent) of the claim with a maximum of R500 000 (Five Hundred Thousand rand) before deduction of any first amount payable.

Theft by forcible entry extension

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 Office Premises 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.

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SECTION E: MONEY

Defined Events

Loss of or damage to money (as defined) occurring whilst at the situation stated in the schedule and/or in transit to or from the premises for the purpose of depositing or withdrawing of such money from a bank or any other financial institution.

Provided that:

(a) such money is in the custody or control of any trustee, director or employee of the Body Corporate or any other person authorised by the Body Corporate.

(b) The Company shall not be liable for more than the amount stated in the schedule or for more than R3 000 (Three Thousand Rand) resulting from the use of keys to any safe or strongroom unless such keys are obtained by violence or threat of violence to any person or for more than R3 000 (Three Thousand Rand) if money is left unattended on the premises outside a locked safe or strongroom.

Definitions

Money shall mean cash, bank and currency notes, cheques, postal orders, money orders, current negotiable postage and revenue stamps or other instruments of a negotiable nature, belonging to the Body Corporate for which they are responsible.

Extensions

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 damaged as a result of theft of money or attempted theft of money, provided that

(i) the Company's liability shall not the amount stated in the schedule in respect of any one event.

(ii) The Company shall not be liable for the first amount payable.

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 the amount stated in the schedule in respect of any one event.

(ii) the Company shall not be liable for the first amount payable.

Specific Exclusions

The Company shall not be liable for loss of money:

(a) Arising as a result of shortage due to error or omission or which cannot be attributed to a particular loss event;

(b) Arising from the dishonesty of any trustee, director, employee of the body Corporate or any authorised person if the loss is not discovered within 14 (Fourteen) working days after the disappearance of such money.

(c) 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

(d) 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;

Conditions

Money in Transit Warranty

It is a condition precedent to liability that any transport of money as defined up to R15 000 (Fifteen Thousand Rand) transported by one employee, from R15 001 (Fifteen Thousand and One Rand) to R25 000 (Twenty Five Thousand Rand) by two employees and in excess of R25 000 (Twenty Five Thousand Rand) by a reputable and recognised professional cash carrier failing which a limit of R15 000 (Fifteen Thousand Rand) 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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SECTION F: FIDELITY

Defined Events

1. Loss of money and / or other property belonging to the Insured or for which they are responsible stolen by Trustees, Directors and/or or employees during the currency of this section.

2. Direct financial loss sustained by the Insured as a result of fraud or dishonesty of Trustees, directors and/or or employees all of which occurs during the currency of this section which results in dishonest personal financial gain for the Trustees, Directors and/or or employees concerned provided that:

   (i) (a) the Company is not liable for all losses that occurred more than twelve months before discovery;

   (b) all losses are discovered not later than twelve months after the termination of:

   (i) this section, or

   (ii) this section in respect of any trustee, director and/or or employee concerned in a loss, or

   (iii) the employment of the trustee, director and/or or employee or the last of the Trustees, directors and/or or employees concerned in a loss whichever occurs first;

   The events insured against are extended to apply to any managing agent appointed by you provided that

   (i) this extension does not indemnify such Managing Agent against any claim in respect of which he is entitled to indemnity under any other policy of insurance except in respect of any excess beyond the amount payable under such insurance.

   (ii) The maximum limit of indemnity for this extension does not exceed the amount shown in the schedule.

   (ii) the Company's liability for all losses shall not exceed the sum insured stated in the schedule whether involving any one trustee, director and/or or employee or any number of Trustees, Directors and/or or employees acting in collusion or independently of each other;

   (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 Company's liability beyond the sum insured stated in the schedule. If the period of insurance is less than 12 (twelve months, the Company's liability is limited to the sum stated in the schedule during any 12 (twelve) month period of insurance calculated from inception or renewal;

   (iv) the term "dishonest personal financial gain" shall not include gain by any trustee, director and/or or employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.

Definition

Employee shall mean

(a) any person while employed under a contract of service with or apprenticeship to the Insured;

(b) any person while hired or seconded from any other party into the service of the Insured;

who the insured has the right at all times to govern, control and direct 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.

Managing agent shall mean

(a) Any scheme executive, managing agent or contractor or other person acting on behalf of or under the direction of the managing agent or other agent of the Body Corporate who in the normal course of the Body Corporate's affairs have access to or control over the monies of the insured.

Clauses and Extensions

Accountants clause

Any particulars or details contained in the Insured's books or account of other business books or documents which may be required by the Company under this section for the purpose of investigation or verifying any claim hereunder may be produced any 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 Trustees, Directors and/or employees' extension

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

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 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 risks insured hereunder.

Notwithstanding specific condition 1.(b) below, this shall not be held to override General Condition 2 – other insurance.

Compulsory first amount payable

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

(a) 2% (two percent) of the sum insured under defined events plus

(b) a further amount of 10% (ten percent) of the net amount payable after deduction of the amount specified in (a) above

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

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(a), refrain from reporting the matter to the police but shall do so immediately should the Company require such action 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 from or giving renewal or other instructions shall not prejudice any claim under this section.
3. General Exceptions 1 and 3 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

Specific Exceptions

1. The Company shall not be held liable for
   - (a) loss resulting from or contributed to by the fraud or dishonesty of any trustee, director and/or or employee and/or Managing Agents from the time the Insured shall become aware that such trustee, director and/or or employee and/or Managing Agents has committed any fraud or dishonesty;
   - (b) any consequential losses of any kind, following losses referred to under Defined Events;
   - (c) losses unless the insured has previously exhausted their rights and entitlements under any other fidelity bond or fund, whether of a statutory nature or not;
   - (d) discovered more than twelve (12) (twelve) months after the expiry of this policy or termination of the employment of the trustee, director and/or employee who caused the loss whichever occurs first;
   - (e) any loss that cannot be validated from the insured's accounting records.
   - (f) losses connected with any further event committed by the same person or persons after the initial discovery of loss;
   - (g) losses arising out of an event committed prior to the Period of insurance;
   - (h) any Company or other legal entity acquired during the period of insurance, without prior notification;
   - (i) the Company will not be liable for any loss arising directly or indirectly from or having any connection with:

(i) the conduct of any person if the insured has any prior knowledge of any prior act of fraud or dishonesty by that person;

(ii) loss or part of a loss where proof of its existence or amount depends on any comparison of inventory records with a physical count or a profit and loss computation, except that this exclusion will not apply to the extent that the insured is able to prove the amount of the loss through other evidence unrelated to comparison or computation; or

(iii) loss arising from a failure to make payment or of default under a loan or other credit transaction.

(j) the first amount payable

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 have been represented to the Company, but the Insured may:

   (a) change the remuneration and conditions of service of any trustee, director and/or employee.

   (b) in respect of any trustee, director and/or employee who is described in the schedule by name change his duties and position.

   (c) in respect of any trustee, director and/or employee who is described in the schedule only by the position held by him, remove such trustee, director and/ or employee and place in his position any other person who falls within the definition of trustee, director and/or 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 extend of the Insured's co-insurance in terms of item (b) of the compulsory first amount payable clause.

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SECTION G: ELECTRONIC EQUIPMENT

Defined Events

Sub-Section A

We will pay you up to the limited stated in the schedule for each item following 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 as offices and/or consulting rooms 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 as offices and/or consulting rooms at the insured premises described in the schedule to any other building within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique.

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

We will pay up to the limited for each item stated in the schedule.

Definition

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

Specific Exceptions

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 each and every event giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one event, the first amount payable shall be the highest single amount applicable to such property insured.
2. derangement unless accompanied by physical damage otherwise covered by this section.
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on behalf of the insured covering the insured equipment.
4. faults or defects known to the insured (or their responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to the Company or any consequences thereof.
5. wastage of material or the like or wearing out of any part of the property insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration, development of poor contacts or scratching of painted or polished surfaces of a cosmetic nature.
6. parts having a short life such as (but not limited to) bulbs, valves, contacts, X-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for by this sub-section to other parts of the property insured, the Company shall indemnify the insured for the residual value prior to the loss of such exchangeable parts.

7. the cost of reproducing data and/or programs whether recorded on cards, tapes, disks or otherwise specifically provided for in sub section B.

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 as offices and/or consulting rooms at the insured premises described in the schedule or as a result of theft or any attempt thereat, following violence or threat of violence other than in respect of portable laptop and notebook computers where forcible and violent entry to or exit from the building or that part of the building occupied by the insured will not apply.

   (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.

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 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.

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Sub-Section B - Consequential Loss

Defined Events

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

(i) Increased cost of working

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred by the insured during the indemnity period in consequence of the accident for the sole purpose of avoiding or diminishing the interruption of or interference with the normal business of the insured less any sum saved during the indemnity period in respect of such of the charges and expenses of the business as may cease or be reduced in consequence of the accident.

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

(a) the cover provided for in item (ii) of this sub-section.

(b) the intrinsic value (including reinstatement value) of the property insured by sub-section A of this section.

(ii) Reinstatement of data/programs

Costs and expenses necessarily and reasonably incurred by the insured for the reconstitution or recompilation of data and/or programs recorded on or stored in data-carrying media which are lost as a result of accidental erasure (which shall include the events defined in the indemnity clause to sub-section A of this section) or by theft 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 term Indemnity Period will mean the period beginning after 24 (Twenty Four) hours after the occurrence of the loss or damage and ending not later that 3 (Three) months after the occurrence during which the business has been affected in consequence of the loss or damage.

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 (twelve) hours after the failure and end not later than 30 days after such failure.

The limit of liability

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

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

Specific Exceptions to Sub-Section B

Unless specifically provided for

1. Fines and penalties

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

2. Loss of profit

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

Specific Conditions

Specified Items

It is a condition that all electronic equipment including laptops and/or notebooks must be individually specified in the schedule of this section.

Average

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.

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.

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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SECTION H: GEYSER MAINTENANCE

Defined Events

Geyser Maintenance

The Company will indemnify the insured for loss and/or damage to a geyser that uses a standard electrical element with a capacity of 300 litres or less (including all its components and piping within one metre from the geyser) and/or any other type of water heating apparatus caused by bursting or rupturing or becoming inoperative resulting directly or indirectly from decay, gradual deterioration, leakage, overflow, rust ,wear and tear and/orinherent vice or latent defects.

Definition

Geyser

The Geyser itself, pipes and fittings including drip trays and pans, within one meter of the Geyser unit, the control valves, the stop cock installed not more than one meter from the Geyser unit for the purposes of controlling the water flow to the Geyser unit only, the draw cock, safety valve and vacuum breaker(s).

Specific Exceptions

The Company will not be liable for:

(a) loss or damage directly or indirectly caused by or contributed to or arising from faulty or defective design; or arising from the failure of and/or the deliberate withholding and/or lack of supplies of water, gas, electricity or fuel;

(b) geysers not installed in accordance with SANS specification 10254 and 0142 and any subsequent amendments;

(c) to solar voltaic apparatus as a result of freezing unless the apparatus contained a nontoxic anti-freeze additive in the form of Propylene glycol before the occurrence of the loss or damage;

(d) resulting from the failure of any structure to bear the additional weight of the appliance or system;

(e) resulting from any buildup of lime scale;

(f) caused by the failure to undertake any maintenance in terms of the manufacturer's requirements;

(g) any item forming part of the geyser and/or any other heating apparatus and attachments covered by any guarantee/warrantee.

(h) the call out cost to attend to; ripple relays, faulty circuit breakers, tripped isolator switch, tripped earth leakage and geyser mains;

(i) leaking pipes more than 1 (one) meter from the geyser and/or any other heating apparatus.

(j) any geyser older than 8 (eight) years;

(k) any amount in excess of the amount stated in the schedule per unit per insurance period;

(l) the first amount payable.

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