

ACCIDENTAL DAMAGE: WINE, WINE TANKS AND RELATED PRODUCTS, PROPERTY

Defined events (i)

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

The amount payable for all loss or damage arising out of one original cause or source shall not exceed the sum stated and notwithstanding General condition 2, this section shall not be called into contribution for any defined event for which more specific insurance has been arranged

Specific exceptions

We shall not be liable for

1. any peril excluded or circumstance precluded from any other insurance available from Us at inception hereof or for any excess payable by You under such insurance, or for any reduction of amount payable under any claim due to the application of average
2. more than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set or collection
3. detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process
4. unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information
5. loss of or damage to insured property caused by
 - a. any fraudulent scheme, trick, device or false pretence practised on You (or any person having custody of Your property) or fraud or the dishonesty of any principal or agent of Yours
 - b. overheating, implosion, cracking, fracturing, welds failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus
 - c. breakdown, electrical, electronic and/or mechanical derangement
 - d. altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon
 - e. fault or defect in its design, formula, specification, drawing, plan, materials workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight contamination, pollution, change in colour, flavour, texture or finish or its own wear and tear
 - f. denting, chipping, scratching or cracking not affecting the operation of the item
 - g. termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light
6. settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any insured property
 - a. loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container
 - b. loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes
7. failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas electricity, fuel or refrigerant
8. collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).

Definition

Insured property

Any tangible property belonging to You or held in trust or on commission for which they are responsible **other than:**

1. current coin (including Kruger rands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, and other certificates, documents or instruments of a negotiable nature
2. furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art
3. property in transit by air, inland waterway or sea
4. railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers
5. standing or felled trees, crops, animals, land (including topsoil, backfill, drainage and culverts), driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines (external to the premises), tunnels, cables(external to the premises), cableways, bridges, docks, jetties, wharves, piers, excavations, property below the ground or explosives
6. electronic data-processing equipment and external data media (punch cards, tape disks and the like) and the information they contain
7. property in the course of construction, erection or dismantling including materials or supplies related thereto
8. property in the possession of customers under lease, rental, credit or suspensive sale agreements
9. glass, china, earthenware, marble and other fragile or brittle objects unless stated in the schedule to be insured.

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

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

Special provisions Wine and related products, Wine Tanks and related property

Notwithstanding anything contained in Defined events (i) and (ii) or in the specific exceptions of this section cover is provided as follows for the first loss sum insured as stated in the schedule and notwithstanding general condition 2, **this section shall not be called into contribution for any defined event for which more specific insurance has been arranged.**

Insured property

- Item 1: Stock of wine and grape extract related products, and cooling medium.
- Item 2: Wine tanks, wine barrels, bottled wine or any wine receptacles being Your property or in Your custody or control and for which You are responsible.
- Item 3: Cat walks, fixed installations and related property containing aforementioned property machinery, separators and accessories, piping and relevant equipment being used during wine making process.
- Item 4: Accidental physical loss or damage to surrounding property caused by spillage, discharge, leakage or otherwise but excluding loss or damage as a result of wear and tear or any other gradually operating causes to tanks, pipes or apparatus, by wine or related products.

Defined events

Accidental physical loss of or damage to Your property at or about Your premises consequent upon:

A. Wine and related products and cooling medium

1. accidental leakage
2. contamination of wine and related products as a result of
 - a. accidental breakage of and/or damage to portals and accessories of wine vats and/or tanks,
 - b. accidental breakage and/or damage of/to separators and accessories, wine vats and/or
 - c. tanks and/or pipe connections and pipes of such wine vats and/or tanks
 - d. pumping together of wine and related products
 - e. oxidation, change in colour

- f. Fermentation excluding fermentation of sulphureted sweet must, sweet reserves and concentrate
- 3. loading and unloading at Your premises only
- 4. breakage of bottles
- 5. breakage of bottled wine
- 6. loss caused as a result of fermentation of sulphureted sweet must, grape juice, sweet reserves and concentrate

B. Wine tanks, wine barrels, bottled wine or any wine receptacles

Accidental physical loss of or damage to metal or fibre glass tanks or wooden vats or tank portals.

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

C. Specific exceptions

We shall not be liable for:

- 1. any peril excluded or circumstance precluded from the following sections:
 - a. Fire (this exclusion does not apply to malicious damage following theft under this section)
 - b. Buildings combined
 - c. Office contents
 - d. Business interruption
 - e. Electronic equipment
 - f. Machinery breakdown
 - g. Deterioration of stock
 - h. Machinery Breakdown Loss of Profits
 - i. Fidelity

at inception hereof or for any excess payable by You under such insurance, or for any reduction of amount payable under any claim due to the application of average.

- 2. termites, moths, insects, vermin. This exclusion will not apply to wine and grape extract related products.
- 3. a. loss of or damage to chemicals, oils, liquids, fluids (other than wine and related products and Glycol), gases or fumes due to leakage or discharge from its container
 - b. loss or damage resulting from leakage or discharge of chemicals, oils, fluids (other than wine and related products and Glycol), gases or fumes
- 4. loss of or damage to wine and related products following the use of defective substances applied to grapes prior to harvesting contradictory to and not in accordance to the product directions for use of such substances
- 5. delivery or recall costs
- 6. commissions
- 7. consequential loss of any nature whatsoever
- 8. wear and tear
- 9. mechanical or electrical breakdown, failure, breakage or any other occurrence insurable in terms of an Electronic Equipment-, a Machinery Breakdown-, a Deterioration of stock- or a Machinery Breakdown Loss of Profit policy. This exception shall not apply to separators and accessories
- 10. theft of wine in bottles or boxes except as a result of theft accompanied by forcible and violent entry into or exit from any building or any attempt thereat or as a result of theft, or any attempt thereat, following violence or threat of violence
- 11. Loss by evaporation
- 12. wine in transit except whilst being transported by forklifts at or about Your premises
- 13. loading and unloading other than at Your premises or any other specified premises
- 14. deterioration or loss as a result of
 - a. unhygienic or unacceptable preparation methods
 - b. drag fermentation

15. loss or damage to wine and related products attributable to a protein or cold stabilisation processes
16. oxidation, change in colour, flavour, texture or finish unless caused by unforeseen incident not otherwise excluded
17. cover obtainable under any marine policy or the cost of such marine policy

Warranties

Wine and related Products:

1. Warranted that loss or damage is subject to the following:
 - a.
 - i. sulphureted sweet must - SO₂ level may not be less than 1200 mg/l
 - ii. sweet must and or grape juice – SO₂ level may not be less than 20mg/l
 - iii. sweet reserves – SO₂ level may not be less than 120mg/l
 - iv. concentrate – SO₂ level may not be less than 100mg/l
 - b. sulphureted sweet moss, sweet must as well as sweet reserves shall be stored in stainless steel tanks with 316 stainless steel domes,
 - c. an analysis of the SO₂ composition should be done and a laboratory chemical analysis must be done monthly. Record thereof is to be kept
 - i. sulphureted sweet must and sweet reserves – weekly
 - ii. sweet must and or grape juice and sweet reserves -twice a week
 - d. storage tanks must be filled to capacity at all times
2. Warranted that export wine is analysed in accordance with the standards laid down by the purchaser. Analyses must be performed by the “SGS” or alternatively the VI at Nietvoorbij Experimental Farm or an internationally accredited laboratory.
3. Warranted that sealed samples (minimum of 12 bottles per holding tank) of all bulk export wine that is to be bottled overseas is kept by You for a minimum period of six months.
4. Warranted that all export wine complies in all respects with the legal requirements of the country to which it is exported
5. Warranted to be claim-free in respect of defective wine where the defect can be traced back to the stabilisation process.

Valuation of insured property:

Wine and related products being Your property or in Your custody or control and for which You are responsible.

Specific conditions

1. In the event of loss or damage the scope of the loss in respect of wine and related products will be determined as follows:
 - a. Wine and related products – fixed value as determined by You per specific type or variety of wines, inclusive of the cost of labelling, bottling packing and all relevant costs (where applicable) and contained in an existing written sales agreement of which proof must be submitted to the insurance company if required

In the absence of an existing written sales agreement prices shall be in force as determined by SAWIS. In the respect of white wines, the prices shall apply for the current and the successive season.

If in the event that You require a higher value than stated by the SAWIS price list, the price per litre must be stated in the schedule

- b. Export wine already sold and for which payment has already been received – contract price inclusive of the cost of bottling (where applicable).
2. Sums insured are to be calculated in terms of Specific condition 1 above and, where applicable, includes customs and excise. Claims are settled on the basis on which the sum insured was determined.

All of the above will take into account any savings that may be applicable (for example but not limited to savings on bottling costs and/or labelling and/or labour).

- Cover in terms of this section of the policy is subject to compliance of the standard winemaking practices.

General Condition

First amount payable

You shall be responsible for the first amount payable stated in the schedule in respect of each and every event

Clauses

Restricted cover clause

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

Additional costs clause

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

- any costs incurred, due to the necessity to comply with building or other regulations of any public authority, in repair or reinstatement following an insured event, **provided that such costs do not include**
 - anything for which notice had been served on You prior to the insured event
 - anything connected with undamaged property or undamaged portions of property
 - rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of Your property
- fees for the examination of municipal or other plans
- costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding
- the professional fees of architects, quantity surveyors and other consultants and the sum insured on all insured property includes
- charges levied by any authorised fire brigade for their services **but We shall not be liable under (1), (2) or (4) unless the lost or damaged property is replaced or reinstated without undue delay nor under (4) for any expenses in connection with the preparation of Your claim.**

Further, We shall not be liable under (3) for any costs or expenses

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

Mortgagees clause

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

Railway and other subrogation clause

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

Tenants clause

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

Specific extensions**Excluded property (if stated in the schedule to be included)**

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

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

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

Average (if stated in the schedule to be included)

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

