

BUILDINGS COMBINED

Defined events

1. Damage by the perils described
 - a. in sub-section A to the buildings including all outbuildings thereto (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise stated in the schedule) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam and canal walls), gates, posts, fences, and tarred or paved roads, driveways, paths or parking areas.
 - b. in sub-section B to public supply connections situated as stated in the schedule.
2. Loss of rent as provided for in sub-section C.
3. Legal liability as provided for in sub-section D

Sub-section A Property

1. Fire, lightning, thunderbolt, subterranean fire, explosion (but specifically excluding power surge unaccompanied by lightning or thunderbolt)
2. Storm, wind, water, hail or snow other than
 - a. that arising from its undergoing any process necessarily involving the use or application of water
 - b. wear and tear or gradual deterioration
 - c. loss or damage
 - i. to retaining walls
 - ii. caused or aggravated by
 - subsidence or landslip
 - the Insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage.
3. Earthquake.
4. Aircraft and other aerial devices or articles dropped there from.
5. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes, vehicles or property in or on such vehicles.
6. Theft (or any attempt thereat) accompanied by forcible and violent entry into or exit from such building. If any building insured or containing the insured property becomes unoccupied for 30 consecutive days, this item is suspended as regards the property affected unless the Insured before the occurrence of damage obtains Our written agreement to continue this insurance. During the period of the initial unoccupancy of 30 consecutive days the Insured shall become a co-insurer with Us and shall bear a rateable proportion of any damage equal to 20% of the claim with a maximum of R5 000 000 before deduction of any first amount payable
7. Accidental damage to sanitary ware, but the amount payable will be as stated in the schedule for each and every such damage.
8. Deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage but excluding loss or damage caused by or arising from theft or any attempt thereat.
Provided that this does not cover:
 - a. consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent specifically insured;
 - b. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
 - c. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
 - d. loss or damage related to or caused by any occurrence referred to in general exception 1 (A, a, b, c, d, e or f, of this Policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence. If We allege that by reason of provisos a, b, c or d, loss or damage is not recovered by this section, the burden of proving the contrary shall rest on the Insured.
9. Bursting, overflowing or escape of water or oil from tanks, apparatus or pipes including any fixed water or oil-fired heating installation including damage to such tanks, apparatus or pipes but excluding damage as a result of wear and tear and gradual deterioration. Fixed water heating installations such as geysers will be limited to the amount as stated in the schedule per event.

Specific condition (not applicable to 7 above)**Average**

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

Sub-section B (Public supply connections)

Accidental damage to water, sewerage, gas, electricity and telecommunication connections the property of the Insured or for which they are legally responsible, between the property insured and the public supply or mains.

Sub-section C (Rent)

1. Where the business of the Insured is that of a hotel, boarding house, bed and breakfast or similar occupation:
Loss of rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding 25% of the sum insured applicable to buildings, plant and machinery. The basis of calculation shall be the rent payable by the Insured as lessee of the buildings, plant and machinery immediately preceding the damage or if the Insured is not the lessee of the buildings, plant and machinery, the rental equivalent they should receive as lessor for leasing all the buildings, plant and machinery to a single legal entity.
2. Where the business of the Insured is other than that as stated in 1. above:
Loss of rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding 25 per cent of the sum insured on the affected property. The basis of calculation shall be the rent payable immediately preceding the damage or its equivalent in rental value.

Sub-section D (liability)

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

Where general and tenants liability has been effected under the Broadform Liability (Claims Made) Section of this Policy, the cover afforded by this Sub-section D is cancelled and of no effect.

The limit of indemnity

The amount payable inclusive of any legal costs recoverable from the Insured by a claimant or any number of claimants and other costs and expenses incurred with Our consent for anyone event or series of events with one original cause or source shall not exceed the amount stated in the schedule.

Specific exceptions (applicable to sub-section D)

We will not indemnify the Insured under this sub-section in respect of

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

- a. injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence
- b. the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence

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

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

6. damages in respect of

- a. judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland
- b. costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the area described in 6 a, above.

Memoranda to sub-section D

1. Where more than one insured is named in the schedule, We will indemnify each insured separately and not jointly and any liability arising between such insured shall be treated as though separate policies had been issued to each, provided that Our aggregate liability shall not exceed the limit of indemnity stated in the schedule.
2. Provided that Our aggregate liability is not increased beyond the limit of indemnity stated, We will also indemnify as though a separate policy had been issued to each
 - a. in the event of the death of the Insured, any personal representative of the Insured in respect of liability incurred by the Insured
 - b. any partner or director or member or employee of the Insured (if the Insured so requests) against any claim for which the Insured is entitled to indemnity under this insurance.
3. In respect of this sub-section only, General exception 1, is deleted and replaced by the following:
This sub-section does not cover injury, damage or liability directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.
4. If, at the time of any event giving rise to a claim under this sub-section, indemnity is also provided under any other insurance, this sub-section shall not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.

Clauses and extensions

Subsidence and Landslip extension - Limited Cover (if stated in the schedule to be included)

1. Sub-section A Property, is extended to include loss of or damage to the building caused by subsidence or landslip of the land supporting the building, or heave, provided that such loss or damage is not caused by or does not arise from
 - a. normal settlement, shrinkage or expansion of the building
 - b. alterations, additions or repairs to the building
 - c. the compaction or infill
 - d. defective or faulty design, materials or workmanship
 - e. excavations other than mining operations
 - f. contraction and/or expansion of soil, clay or similar types or moist or damage
 - g. removal or weakening of support to the building
 - h. buildings constructed on dolomite sites

Excluded Cover:

Loss or damage to the following is automatically excluded:

- a. swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences, retaining and screening walls unless the building is damaged at the same time by the same event
- b. solid floor slabs or any part of the building resulting from the movement of such slabs unless the foundation supporting the external walls of the building are damaged by the same cause at the same event
- c. consequential loss whatsoever
- d. damage existing at commencement of cover

2. No cover is provided for work necessary to prevent further loss or damage due to subsidence, landslip or heave except where appropriate design precautions are implemented during the original construction of the building and any subsequent additions thereto.
3. The Insured shall be responsible for the first amount payable as stated in the schedule for each and every occurrence giving rise to a claim.

The Insured may be required to prove that the loss or damage being claimed for was caused by subsidence and/or landslip or heave

Subsidence and landslip extension - Extended Cover (if stated in the schedule to be included)

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

Damage caused by subsidence or landslip

provided that the Insured shall bear the first portion of each and every claim up to the amount stated in the schedule.

For the purposes hereof, any damage insured shall be deemed to have been caused by fire **provided that this extension does not cover**

1. damage to drains, water courses, boundary walls, garden walls, retaining walls, dam walls, canal walls, gates, posts or fences unless specifically insured
2. damage caused by or attributable to
 - a. faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
 - b. workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises
 - c. excavation on or under land other than excavations in the course of mining operations
3. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

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

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

If property within a 15 km 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, We will pay any loss of rent the Insured may incur as a result thereof up to an amount not exceeding 25 per cent of the sum insured on the affected property. The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.

Security firms (applicable to sub-section D -liability)

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

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

Architects' and other professional fees clause

The insurance under sub-section A includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 20 per cent of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. **The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the Insured's claim.**

Alterations and misdescription clause

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy whether due to the

transfer of processes or machinery or by virtue of acquisition of additional premises, structural alterations or repairs to buildings, machinery or plant, provided that notice is given to Us as soon as practicable after such event and the Insured agrees to pay additional premium if required.

Silent risk clause

Where any part or the whole of the insured premises shall cease to be occupied by the insured for the purpose of the business as a going concern, the insurance cover is suspended unless the Underwriters have been notified of this and accepted by Underwriters in writing.

Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property for an amount not exceeding 20 per cent of the sum insured thereon, it being understood that the Insured undertakes to advise Us each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Cost of demolition and clearing and erection of hoardings clause

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

we will not pay for any costs or expenses

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

Fire extinguishing charges clause

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

Mortgagee clause

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

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 Our liability under this clause not being thereby increased.
3. if Our liability 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 Our liability 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 Our liability 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, **We 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 Us within six months of the date of damage, or such further time as We may in writing allow, their intention to replace or reinstate the property**
 - b. **the Insured is unable or unwilling to replace or reinstate the property on the same or another site.**

Temporary removal clause

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

Tenant's clause

Our 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 Us 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 Us.

Builders Risk Clause

Where the premises are subjected to alteration, extension, modification, redecoration, refurbishment, or renovation, whether by independent contractors or by the insured's own employees, **the insurance cover shall be amended as follows:**

1. **Loss or damage by theft shall be suspended**
2. **Loss of or damage to glass shall be excluded;**

3. An additional cumulative first amount payable of 5% of the claim, subject to a minimum of R 2,500 shall be payable in respect of every occurrence giving rise to a claim.

Silent Risk Clause

Where any part or the whole of the insured premises shall cease to be occupied by the insured for the purpose of the business as a going concern, the insurance cover shall be amended as follows:

1. Loss or damage by theft shall be suspended;
2. Loss or damage to glass shall be excluded;
3. An additional cumulative first amount payable of 5% of the claim, subject to a minimum of R2,500 shall be payable in respect of every occurrence giving rise to a claim.

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

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

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

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

Malicious damage extension

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

1. movable property which is
 - a. stolen
 - b. damaged in an attempt to remove it or part of it from any premises owned or occupied by the Insured
2. movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the Insured
3. immovable property owned or occupied by the Insured occasioned by or through or in consequence of
 - a. the removal or partial removal or any attempt thereof of
 - b. the demolition or partial demolition or any attempt thereof 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. loss or 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. 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 lawful constituted authority
- e. loss or damage related to or caused by any occurrence referred to in General exception 1 A, a, b, c, d, e or f, of this policy or the act of any lawfully established authority in controlling preventing, suppressing or in any other way dealing with any such occurrence.

If We allege that, by reason of proviso 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 Our written agreement to continue this extension. During the period of the initial unoccupancy of 30 consecutive days the Insured shall become a co-insurer with

Us and shall bear a proportion of any damage equal to 20% of the claim with a maximum of R5 000 000 before deduction of any first amount payable.

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

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

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

provided that this extension does not cover:

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

If We allege that, by reason of proviso 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.