

## IRRIGATION SYSTEMS ON WHEELS AND CENTRE PIVOTS

### SUB-SECTION A - Comprehensive defined events

Loss or damage to the system described in the schedule and its accessories and spare parts whilst thereon. We will also pay the reasonable cost of protection and removal to the nearest repairers and You may give instructions for repairs to be executed without Our prior consent to the extent of but not exceeding R10 000 (ten thousand rand) over and above the amount of the first amount payable for which We are responsible under this Sub-Section following loss or damage caused by an insured peril insured by this Sub-Section, provided that a detailed estimate is first obtained and immediately forwarded to Company.

#### Basis of Indemnity

1. If the system can be repaired We will pay the cost of restoration to the working order based on the customary daily rates of wages in the district and normal freight, erection and custom dues.
2. If the system is totally destroyed the limit of indemnity for each system as stated in the schedule shall be the maximum amount payable by Us in respect of such loss or damage.
3. We may at its option repair reinstate or replace any damaged system or pay the amount of the damage in cash.

Provided that:

- a. the sum insured of each system specified in the schedule shall at all times be equal to the new replacement value including dismantling re-erection and freight expenses;
- b. where damage is restricted to a part or parts of any system **We will not pay a greater amount than the value of the part or parts allowed for in the sum insured plus dismantling re- erection and freight expenses;**
- c. if at the time of loss or damage to a system described in the schedule the sum insured is lower than the new replacement value then You will be considered to be his/her/their own insurer for the difference and will bear a rateable share of the loss or damage accordingly. Every system will be separately subject to this Condition;
- d. in the event of any part, accessory or fitment needed to replace damage or the system being unprocurable in the Republic of South Africa as a standard (ready manufactured) article, Our liability shall be met by the payment of a sum equaling the value of such part, accessory or equipment at the time of loss or damage but not exceeding the manufactures latest price list as well as import cost for such part, accessory or equipment
- e. if, to Our knowledge, the system is the subject of a suspensive sale or similar agreement, such payment shall be made to the owner described therein whose receipt shall be a full and final discharge to Us in respect of such loss or damage.

### SUB SECTION B - first loss basis of indemnity

**Our liability under this Sub-section in respect of any one occurrence shall not exceed the first loss limit chosen by You as stated in the schedule;**

1. 20% of the new replacement value
2. 40% of the new replacement value
3. 60% of the new replacement value

Provided that:

loss or damage to a tower will always be limited to either 20%, 40% or 60% of the new replacement value per tower

#### Clauses and extensions applicable to Sub-Section B

Reinstatement of First loss sum insured

Our payment in respect of any loss or damage involving one item or any number of items shall not reduce Our liability in respect of the remaining items insured provided that: You pay additional premium calculated in terms of the following formula:

$$\text{Annual premium in force at the time of any loss or damage} \times \frac{\text{Amount of claim payment}}{\text{Sum Insured at the time of loss or damage}}$$

The additional premium shall be payable in full and may not be reduced due to the period between the date of loss or damage and the expiry date being less than 12 months.

#### Specific conditions applicable to Sub-Section B first loss – average:

Average will not be applicable if the total new replacement value at the time of any loss or damage is not more than the value described in the schedule. If however at the time of the loss or damage the new replacement value is more than the value described in the schedule then You will be considered to be his/her/their own insurer for the difference and will bear a rateable share of the loss or damage accordingly.

Every system will be separately subject to this Condition.

**Exceptions to sub-section A & B**

We shall not be liable to pay for:

- a. consequential loss as a result of any cause whatsoever, deterioration in value whether arising from repairs following a defined event or otherwise, wear and tear, mechanical, electronic or electrical break-downs, failures or breakages;
- b. damages to tyres by road punctures, cuts or bursts;
- c. detention, confiscation or requisition by customs or other officials or authorities.

**SUB-SECTION C – fire defined events**

Loss or damage to the whole or part of the system described in the schedule by:

1. fire;
2. lightning or thunderbolt;
3. explosion;
4. plus additional perils as defined

**Additional perils****Earthquake**

Damage caused by earthquake but **excluding loss or damage caused in the underground workings of any mine.**

**Special perils**

Damage caused by

1. storm, wind, water, hail or snow **excluding damage to the system**
  - 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;
2. aircraft and other aerial devices or articles dropped therefrom;
3. impact by animals, trees, aerials, satellite dishes or **systems excluding damage to such animals, trees, aerials, satellite dishes or systems or property in or on such systems**

This extension does not cover:

- a. wear and tear or gradual deterioration;
- b. Your failure to take reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any damage.

**Malicious damage**

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 You
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 by You.**
3. **Immovable property owned or occupied by You occasioned by or through or in consequence of**
  - a. the removal or partial removal or any attempt thereat or
  - b. the demolition or partial demolition or any attempt thereat of the said immovable property or any part thereof with the intention of stealing any part thereof.

Provided that this extension does not cover:

- a. damage related to or caused by fire or explosion;
- b. consequential or indirect 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 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;

If the insurer alleges that, by reason of proviso (a), (b), (c), or (d) loss or damage is not covered by this section, the burden of providing the contrary shall rest on You.

**SUB-SECTION D - liability to third parties defined events**

Any accident caused by or through or in connection with any system described in the Schedule or in connection with the loading and/or unloading of such system in respect of which You become legally liable to pay all sums including claimant’s costs and expenses in respect of;

1. death of or bodily injury to any person, **but excluding death of or bodily injury to any person in Your employ arising from and in the course of such employment or being a member of the same household as You;**
2. damage to property **other than property belonging to You or held in trust by or in Your custody or control .**

In terms of and subject to the limitations of and for the purpose of this Sub-Section We will also pay;

1. all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this Sub-Section, or for defending in any magistrate’s court any criminal proceedings in respect of any act causing or relating to any event which may be the subject of indemnity under this Sub-Section, provided that the total of Our liability under both this Extension and Sub-Section B shall not exceed the limit of indemnity stated to apply to Sub-Section B
2. indemnify any person who operates or controls such system on Your order or with Your permission

Provided that:

- a. such person shall, as though he/she/they were You, observe, fulfil and be subject to the Terms, Exceptions and Conditions of this insurance in so far as they can apply;
- b. indemnity shall not apply in respect of claims made by any member of the same household as such person;**
- c. such person is not entitled to indemnity under any other Policy except in respect of any amount not recoverable there under.

**Exceptions to sub-section D**

We shall not be liable in respect of:

1. **any claim arising from contractually**, unless such liability would have attached to You notwithstanding such contractual agreement;
2. **so much of any compensation or claim as falls within the scope of any Compulsory Motor System Insurance Enactment. This exception shall apply notwithstanding that no insurance under such enactment is in force or has been affected;**
3. **death of or bodily injury to any person being carried in or upon or getting onto or alighting from such system at the time of the occurrence of the event from which any claim arises;**
4. **any consequential loss**

Our liability under this Sub-Section in respect of any one occurrence shall not exceed R2 500 000, unless otherwise stated in the schedule.

**Definitions occurrence**

The term occurrence shall mean an occurrence or series of occurrences arising from one cause in connection with any one system in respect of which indemnity is provided by this insurance,

**System**

The term system shall mean;

1. Irrigation systems on wheels (with any form of propulsion) and
2. Centre pivots including
3. fixtures and fittings attached thereto or thereon as supplied by the manufacturer as standard fixtures and fittings consisting out of the centre point including the control box (panel), each tower with their fixtures and fittings (electric cabling, sprayers heads, electrical motors & gearboxes as well as the micron switches) and the overhang. **Excluding underground pipe lines, cables and harnesses, transformers, compressors- and impeller systems, step up motors, pumps and similar equipment related thereto beneath or on the ground.**

All additional electrical cabling from the control box to the ESCOM power supply as well as the electrical motor and water pump plus the underground pipes lines from the water supply to the system have to be specified separately with their own individual sums insured.

**Extensions**

**Fire extinguishing charges**

Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to Your property and shall be payable in addition to any other payment for which We may be liable in terms of this Section, provided that You are legally liable for such costs and Your property was in danger from the fire up to a maximum of R10 000 (ten thousand rand).

**Wreckage removal**

The cover provided under Sub-Section A of this Section is extended to include costs and expenses incurred by You in respect of the clearing up and removal of debris and wreckage of any insured system following damage to such system by a Defined Event, provided that, in addition to the limit of indemnity under Sub-Section A of this Section, the limit of Our liability under this Extension shall not exceed, in respect of any one occurrence, the amount of R5 000 (five thousand rand) or the limit stated in the Schedule whichever is the greater.

**Credit shortfall**

If any total loss settlement under Sub-Section A is less than the amount owing to the financier under a current instalment sale or lease agreement, We will pay to You an additional amount equal to the shortfall less:

1. any arrears instalments or rentals including interest payable on such arrears
2. all refunds of premium for cancellation of any insurance cover relating to the system
3. the increased instalments or rental that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled
4. the First Amount Payable under Sub-Section A

**Provided that:**

- a. the amounts payable shall not exceed the maximum indemnity less the First Amount Payable under Sub-Section A
- b. this Extension shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% (ten percent) from any other instalment
- c. if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this Extension shall be void.

**Damage to tyres**

The cover under this Section is extended to include total loss of and irreparable damage to the tyres of the system stated in the Schedule which are insured comprehensively as a result of damage caused by any unseen or concealed object whilst on the land or any other surface

**Provided that:**

- a. Our liability is limited to a maximum of R5 000 (five thousand rand) per tyre unless the value per tyre which exceeds R5 000 (five thousand rand) is stated in the Schedule
- b. You shall be responsible for the first 10% (ten percent) with a minimum of R200 (two hundred rand) of each and every claim
- c. You shall at his own expense have all damage and wear and tear assessed by one or more reputable retreaders to assess whether a tyre can be repaired or not and what the extent of wear and tear is.

**Memoranda premium adjustment****Specified systems**

If a system insured hereunder is disposed of and another system substituted in place thereof during the currency of this Section no adjustment of premium shall be made

**Provided that:**

Your values and extensions applicable to the systems concerned do not differ. If the values insured increase or decrease with the replacement and extensions added or deleted then the premium will be adjusted accordingly.

**War**

In respect of Sub-Section B General Exception 1 is deleted and replaced by the following:

**“This Section does not cover war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny insurrection, rebellion, revolution, military or usurped power”.**

**Description of use**

Systems used by You exclusively for farming purposes for own use only. Your indemnity in connection with any system shall be operative whilst such system is in the custody or control of a member of the motor trade for the purpose of overhaul, upkeep or repair **excluding hiring**.

**Maintenance of system**

You or anyone acting on Your behalf and/or any person operating and/or controlling the system with Your knowledge and consent or anyone acting on Your behalf shall take all reasonable steps to safeguard any system described in the Schedule from loss or damage and to maintain it in an efficient condition and also make sure that regular maintenance inspections are carried out on such systems to ensure the effective functioning thereof

Provided that:

- a. We shall at all times have free access to examine such system. **In the event of any accident or breakdown such system shall not be left unattended without proper precaution being taken to prevent further damage or loss and if such system be used before the necessary repairs are effected any increase of the damage or further damage to such system shall be entirely at Your own risk**
- b. cover in respect of all systems older than 5 (five) years and annually thereafter is subject to a comprehensive report by an engineer or an authorised and approved agent/ representative of the manufacturer in which it is confirmed that such system is in a sound working condition and that no repair work is necessary and also to determine the degree of deterioration
- c. the name of the manufacturer must in all cases be submitted to Us before commencement of cover.

#### **Waiver of subrogation rights**

For the purposes of this Section, We waive all rights of subrogation or action which they may have or acquire against any other person to whom the indemnity hereunder applies, and each such person shall observe, fulfil and be subject to the Terms, Exceptions and Conditions (both General and Specific) of this insurance in so far as they can apply.

#### **Principals**

Notwithstanding Specific Exception 2 of this Section, the indemnity under Sub-Section B extends to indemnify, to the extent required by the conditions of any contract of the Building Industries Federation of South Africa, and in connection with any liability arising from the performance of such contract, any principal named in such contract entered into by You for the purposes of the business, provided that Our liability shall not exceed the limit of indemnity stated in the Schedule.

#### **Cross liabilities**

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.**

#### **Specific exceptions applicable to all sub-sections**

We shall not be liable for any accident, injury, loss, damage or liability:

1. **whilst the system is being used with Your general knowledge and consent** otherwise than in accordance with the "Description of Use" clause
2. **incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.** We will also indemnify You against loss of or damage to any system while in transit by sea, air or between ports or places in these territories including loading and unloading incidental to such transit

**We shall not be liable for any claim arising from contractual liability, unless such liability would have attached to You notwithstanding such contractual agreement.**



