

SECTIONAL TITLE

Definitions

- 1. Body corporate**
In relation to a building and the land on which such building is situated, means the body corporate of that building referred to in section 36 (1) of the act.
- 2. Business**
the duty of a body corporate in terms of the act and the registered rules agreed by it.
- 3. Claim**
Any request for indemnity or compensation, irrespective of whether any amounts have been determined for the claim or not.
- 4. 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;
 - (c) land referred to in section 26 of the act.
- 5. Employee**
any employee of the body corporate, but excluding managing agents.
- 6. Loss ratio**
The ratio expressed as a percentage between annual claims and premiums multiplied by 100.
- 7. Owner**
All registered owners of a unit, including the owner's spouse, children and other persons normally residing with him/her.
- 8. Participation quota**
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.
- 9. SABS**
South African Bureau Of Standards
- 10. SANS**
South African National Standards
- 11. Scheme**
The sectional titles development scheme.
- 12. Section**
A section shown as such on the sectional plan bearing the number stated in the schedule.
- 13. The act**
The sectional titles act, act no. 95 of 1986, as amended by the sectional titles amendment act, act no. 63 of 1991, and any subsequent amendment.
- 14. The insured (hereafter called you / your / yourself / co-insured)**
Shall be the body corporate (including its trustees) and shall include all owners and all mortgagees of registered mortgage bonds over the units in the scheme for their respective rights and interests.
- 15. Trustees**
the elected trustees of the body corporate.
- 16. Unit**
A section with its undivided share in the common property apportioned to it in accordance with its participation quota.

Policy overview

This overview provides a brief summary of the benefits and options afforded under this policy. The policy wording contains a detailed description of cover, conditions, terms, and exclusions. The schedule attached to the policy describes the cover chosen by you, as well as any applicable conditions. This policy includes consent to the disclosure of information pertaining to private claims - see General Condition 18.

General

1. Specific exclusions and conditions shall override general exclusions and conditions.
2. This policy and the schedule constitute the contract between (hereinafter called we/us/our) and the Insured/ Co-Insured stated in the schedule (hereafter called you / your / yourself / coinsured). Any application or statement made by you personally, or by any of your co-insured's on your behalf, will form the basis of this policy and be part thereof.
3. 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.
4. Provided the required premium has been received and subject to the terms, exclusions and conditions of the policy, we will indemnify you by payment or, at our discretion, by replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance stated in the schedule. We will not be obliged to replace or repair exactly, but only as circumstances reasonably allow. We will not pay more than the amount of cover stated in the schedule.
5. Unless specifically stated to the contrary, the general conditions, exclusions and definitions apply to the policy as a whole.
6. Payments on account may be made to you at our discretion.
7. If we are holding covered on a risk we will not reject a claim on the grounds that the premium has not been agreed.
8. If, in a schedule of this policy, the sum insured, limit of indemnity or compensation is:
 - 8.1 left blank or has no monetary amount stipulated against it
 - 8.2 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 this policy

General conditions

1. **Annulment of policy**

We may declare this policy or any part thereof null and void

 - A) if any material details affecting the risk are not disclosed or are misrepresented by you, or by your co-insured's on your behalf, or if we are not informed of any alteration in risk by you or by your co-insured's on your behalf.
 - B) whereby your interest ceases except by operation of Law unless such alteration has been agreed to by us.
 - C) you are in breach of a warranty or condition.
2. **Cancellation**

This policy or any section may be cancelled at any time by our giving 30 days' notice in writing (or such other period as may be mutually agreed) or by you giving immediate notice. On cancellation by you, we shall be entitled to retain the customary short period or minimum premium for the period the policy or section has been in force. On cancellation by us, you shall be entitled to claim a portion of the premium for the remainder of the period of insurance from the date of cancellation.
3. **Claims**
 - 3.1 If an event giving rise to or likely to give rise to a claim comes to your knowledge you must within 30 days of such event notify and provide us with:
 - 3.1.1 particulars of other insurance covering the same event

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- 3.1.2 written details of the event
 - 3.1.3 such proofs, information and sworn declarations we may require from time to time
 - 3.1.4 any document or details of any communication received in connection with a claim

- 3.2 The onus is on you to prove that any claim is covered in terms of the policy.
- 3.3 No admission, statement, offer, promise, payment or indemnity may be made by you without our written consent.
- 3.4 The theft or loss of, or malicious damage to any insured article must be notified to the police as soon as is reasonably possible.
- 3.5 We may take over and conduct the defense or settlement of any claim and have the right to use your name for this purpose.
- 3.6 You must give all information, documentation and assistance required by us to obtain indemnity from other parties.
- 3.7 You must notify us immediately you become aware of any impending prosecution or inquest in respect of any event which may give rise to a claim.
- 3.8 We will not be liable under more than one section of this policy in respect of liability, loss or damage arising from the same event in respect of the same liability, loss or damage

4. Prevention of Loss

You must take all reasonable precautions to prevent loss or damage, bodily injury and accidents and should effect emergency repairs to your property to prevent further damage.

5. Excess

Under some policy sections, you are liable for the first part (excess) of any amount payable in respect of an insured event resulting in a claim. The applicable excesses are stated on the schedule.

6. Fraudulent or willful acts

All rights of indemnity under this policy will be forfeited if:

- 6.1 a claim is in any respect fraudulent or if fraudulent means are used by you, or by any co-insured on your behalf, to obtain any benefit under the policy;
- 6.2 a claim in any way occurs as a result of any willful acts committed by you or with your connivance;
- 6.3 false information is furnished in respect of any claim;
- 6.4 willful exposure to needless peril occurs except in an attempt to save human life

7. Jurisdiction

This policy is subject to the jurisdiction of the courts of law of the Republic of South Africa.

8. Limitations and amendments

We may introduce limitations and amendments to the policy contract by giving you 30 days' written notice thereof to your last known address.

9. Other insurance

If a claim payable under this policy is also covered under another policy, we will only pay our rateable portion of the loss or damage.

10. Our rights following an insured event

- 10.1 You must allow us to enter the building or premises where the loss or damage occurred, to take possession of the damaged insured property, and to deal with it in any reasonable manner. You are not entitled to abandon any property to us, whether we took possession of it or not.
- 10.2 You must supply all information and assistance reasonably required by us and we have the right to take over the defense or settlement of a claim and conduct it in your name.

10.3 In respect of any section of this policy under which an indemnity is provided for liability to third parties we may upon the happening of any event, pay to you 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 thereafter we shall be discharged of any further liability.

11. Payment of premium

The premium is payable in advance and must be submitted to us by our paying agent via debit order request. If the monthly debit order is not honored by your paying agent, cover will remain in force and two debit orders will be submitted to the paying agent at the next premium request date, one in respect of the unpaid debit order and one for the new month. If two debit orders are submitted to your paying agent and only one is paid, this money will be used to clear the first premium that is outstanding. If a claim occurs during the period of insurance in respect of which the debit order has been dishonored, you will be required to settle the amount outstanding before your claim will be processed. The policy will be cancelled with effect from the first due date of the premiums not paid when premiums for two consecutive periods of insurance are outstanding and we will not submit any further premium payment requests to your paying agent. In this case, the preceding paragraph shall not apply. If the policy is paid annually in advance by means of one debit order and that debit order is returned unpaid, your cover will remain in force for another month. The debit order for the unpaid premium will be submitted again during the next month. If it is rejected again, the policy will be cancelled. Payment will be accepted in the form of debit order, cheque or cash.

12. Period of insurance

Initially the period of insurance is 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 date of inception of the policy and ends on the last day of the twelve (12) consecutive months immediately thereafter.

13. Prescription

13.1 If we reject a claim, you will have 180 (one hundred and eighty) from the date of rejection to institute legal proceedings against us, failing which our liability in respect of the claim will cease.

13.2 We shall not be liable after the expiry of 180 (one hundred and eighty) of the date of the insured event giving rise to the claim unless the claim is the subject of a pending court action between us, or the subject of arbitration, or it is a claim for sums which you may become legally liable to pay.

14. Reinstatement of the sums insured

The sums insured under this policy will not be reduced by the amount of any claim. However, we retain the right to charge an additional premium on the amount of the loss from the date thereof or from the date of reinstatement or replacement (whichever is later) to the expiry of the period of insurance.

15. Rights and remedies (subrogation)

You must do, or permit to be done, all such things that may be necessary, or reasonably required by us, to enforce any rights that we shall be, or become, subrogated to upon indemnification to you, whether such things shall be required before indemnification or thereafter.

16. Rights to you only

16.1 This policy gives rights to you only. Any extension of our liability towards another person gives no right of claim to such person. You must claim on behalf of such person following which we will take over and handle the matter on your behalf. The receipt of the insured shall in every case be a full discharge to the company

16.2 You may not cede your rights to anyone.

17. Sharing of information

In order to combat insurance fraud and evaluate and properly underwrite risks, the South African Insurance Association (SAIA) has created a shared database for storing policyholders' insurance information.

Information sharing will contribute significantly to limiting insurance fraud and to assess risks fairly, thus protecting the interests of all policyholders. This condition permits us to store your information in the shared database and to verify any underwriting information against legally recognised sources or databases. Your right to privacy is a fundamental right that is included in the South African Constitution. This right can, however, be restricted in certain circumstances. These circumstances include cases where both parties revealing the information and the parties who are privy to it have a legal interest in that information. This means that in terms of South African law, we may reveal and or receive information if we intend using it to prevent fraud and to

underwrite risks fairly.

Your authorisation

You acknowledge that the sharing of 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 premiums.

On your own behalf and on behalf of any person you represent herein, you hereby waive your right to privacy with regard to any underwriting and claims information (including credit information) that you provide or that is provided by another person on your behalf in respect of any insurance policy or claim made or lodged by you.

You acknowledge that the insurance information provided by you may be stored in the shared database and used as set out above as well as for any decision pertaining to the continuance of your policy or the meeting of any claim you may submit. You consent to such information being disclosed to any other insurance company or its agents. You acknowledge that the information may be verified against legally recognised sources or databases.

18. Inflation adjustment

The sums insured for buildings will be adjusted annually to keep pace with building cost inflation as far as is reasonably possible. The insured amount is to be increased annually at the anticipated building cost inflation index for the next year as published by the medium-term-forecasting associates of the Bureau for Economic Research of the University of Stellenbosch, suitably adjusted to make allowance for debris removal, professional fees and demolition costs. Should the index not consist of a whole number then it will be rounded upward to the next whole number. You are, however, still responsible for ensuring that the property is insured for the full replacement value as stipulated by the Sectional Title Act as amended.

19. Value added Tax (VAT)**(A) Definition**

VAT shall mean the amount of value-added tax payable by you or us to the revenue authorities in the Republic of South Africa.

(B) VAT-inclusive condition

It is understood and agreed that the monetary amounts as reflected in the sums insured and/or limits of indemnity shall be applied to:

The indemnity or amounts payable in terms of this policy and to which sums the terms, provisions, conditions and limitations of this policy shall apply; and Value-added tax at the current rate as promulgated in legislation relating thereto.

Subject to such sums insured/limits of indemnity being adequate to embrace the amounts reflected under (A) and (B) above, we will, to the extent that you are accountable to the tax authorities for value-added tax in respect of any payment in terms of this policy, include the amount of such tax in the final settlement

Of any claim in terms of the policy, provided that the total amount payable for any defined event and the value-added tax related thereto shall not exceed the sum insured/limit of indemnity set against such defined event.

In circumstances referred to herein under which you are required to bear the first amount of any loss (Excess), such amount shall also be inclusive of value-added tax in like manner to the sum insured/limit of indemnity referred to above.

Further, 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.

20. 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 you shall be considered as being your own insurer for the difference and shall bear a ratable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

No amount shall be payable hereunder except in the event of actual physical damage to or destruction of the insured property notwithstanding that the insured property may have been deemed to have been destroyed in

terms of the Sectional Titles Act No. 95 of 1986, or as amended or replaced, and the provisions thereof shall not apply in regard to the application or interpretation of this section.

21. 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.

22. 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

23. 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.

General exclusions

This policy does not cover loss or damage to property related to or caused by:

1. Dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities

2. War, riot & terrorism

2.1

2.1.1 civil commotion, labor disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing

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

2.1.3 (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

2.1.4 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

2.1.5 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

2.1.6 any attempt to perform any act referred to in exclusion 2.1.4 or 2.1.5 above

2.1.7 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in exclusion 2.1.1, 2.1.2, 2.1.3a, 2.1.3b, 2.1.4, 2.1.5 or 2.1.6 above.

2.2 this policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the war damage insurance and compensation act, 1976 (act no. 85 of 1976), or any similar act operative in any of the territories to Which this policy applies.

2.3 notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exclusion, this policy does not cover loss of or damage to property or bodily injury 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, bodily injury or expense.

For the purpose of this general exclusion 2.3, 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.

2.4 Terrorist Activity-Nuclear, Biological, Chemical, Radioactive Materials Exclusion (NBCR)

The reinsurance provided under this Agreement shall not apply to the following:

All loss, cost or expense arising out of or related to, either directly or indirectly, any “NBCR Terrorist Activity” as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to such loss, cost or expense.

“NBCR Terrorist Activity” shall mean any deliberate, unlawful act that includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any nuclear, biological, chemical or radioactive agent, material, device or weapon, that:

1. is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism; or
2. is related, in whole or in part, to any intention to
 - a. promote, further or express opposition to any political, ideological, philosophical, racial, ethnic, social or religious cause or objective; or
 - b. influence, disrupt or interfere with any government related operations, activities or policies; or
 - c. intimidate, coerce or frighten the general public or any segment of the general public; or
 - d. disrupt or interfere with a national economy or any segment of a national economy.

NBCR Terrorist Activity as described in section 2, above, shall be considered NBCR Terrorist Activity except where the Company can demonstrate to the Reinsurer that such activities or threats thereof were motivated solely by personal objectives of the perpetrator.

3. Nuclear weapons and radiation

Except for the fidelity section, 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, radiation 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 loss. For the purposes of this exclusion only, combustion shall include any self-sustaining process of nuclear fission.

If we allege that we are not liable for a claim due to general exclusions 1,2 or 3 you must prove the contrary.

4. Consequential or indirect loss or damage of any kind what so ever except loss of rent as provided by the policy.

5. Liability that you or a co-insured assumes by agreement unless you or a co-insured would have been liable even if the agreement did not exist.

6. Obsolescence clause:

In the event of loss or damage to:-

- a. Electronic motors
- b. Telephonic communication equipment

- c. Security control equipment (including cameras)
- d. Alarm and detection systems
- e. Tv aerials including television transmission or reception equipment
- f. Closed circuit cameras and monitors

Or any accessory or attachment relating thereto; being the subject of a claim as insured for which there is not immediate replacement; or for which the agency or supplier in south africa has discontinued the importation or stockholding of such equipment; *and provided that such equipment is not repairable*, then such equipment shall be considered obsolete.

In the event of the said equipment being considered or declared obsolete; then at our option the basis of the indemnity shall be cash-in-lieu and shall be the original purchase or determined costs thereof less a rate of depreciation based on an accumulative rate of 15 percent per annum; as from the date of purchase or installation.

Once we have agreed to indemnify you in terms of this clause; then at our option you will have the equipment, being the subject of the claim; removed from its place of installation prior to payment of such indemnity and delivered to our named offices. Such costs of removal and delivery are to be agreed with us and these costs will be for our account.

7. Dye lots, colours, patterns & textures

In the event of any property (or portion of such property) being the subject of an insurance claim; and being supplied or manufactured in specific dye-lots, colours, patterns, or textures; and at the time of such claim the property (or portion of such property) being the subject of the claim is not available (in whole or in part) in such dye-lots, colours, patterns or textures, then we will only indemnify you for the cost of the same as such is available to the nearest dye-lot, colour, pattern or texture as may be available in the required quantity.

8. Computer losses

Notwithstanding any provision of this policy including any special exclusion or extension or other provision not included herein which would otherwise override a general exclusion, this policy does not cover:

1. Loss, or destruction of, or damage to any property whatsoever (including a computer), or any loss, Or expense whatsoever resulting or arising there from
2. Any legal liability of whatsoever nature
3. 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 that causes the loss of data, or the inability to capture, save, retain, or correctly process such data in regard to, or in connection with any such date or
 - (iii) to capture, save, retain, or process any information, or code due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and or programs
 - (iv) to capture, save, retain, or 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 program, 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 your property or not.

Special extension to the above general exclusion 8

- A. Loss or destruction of, or damage to the insured property by fire, explosion, lightning, earthquake or by the insured events referred by the special perils below, are not excluded by this general exclusion.
- B. The insured events that are not excluded for the purpose of this special extension are damage caused by:
 - 1. Storm, flood, wind, rain, hail or snow excluding loss or 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 buildings structures and plant designed to exist or operate in the open);
 - E) in any structure not completely roofed;
 - F) being retaining walls;
 - 2. Aircraft and other aerial devices or articles dropped there from.
 - 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.
- 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 loss general exclusion and this special extension.
- D. this special extension shall not apply to any public liability indemnity.

9. Asbestos exclusion (applicable to the public liability and employers' liability sections)

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exclusion, 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.

10. Detention, Confiscation and Forfeiture

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

Special extensions

1. Riot and Strike Extension (excluding cover which may be provided by the South African Special Risks Insurance Association or the Namibian Special Risks Insurance Association).

Notwithstanding anything to the contrary contained in General Exclusion 2.1

- 1.1 This policy is extended to cover loss of, or damage to property or directly occasioned by, through, or in consequence of:
 - 1.1.1 civil commotion, labour disturbances, riot, strike or lock-out;
 - 1.1.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 1.1.1 above.
- 1.2 This extension does not cover:
 - 1.2.1 loss or damage occurring either within the territorial limits of the Republic of South Africa or Namibia, or beyond the territorial limits specified in the policy;
 - 1.2.2 consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
 - 1.2.3 loss or damage resulting from total or partial cessation of work, or the retarding or cessation of

any process or operation;

- 1.2.4 loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- 1.2.5 loss or damage related to or caused by any occurrence referred to in general exclusions 2.1.2, 2.1.3a, 2.1.3b, 2.1.4, 2.1.5 or 2.1.6, 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 because of provisos 1.2.1, 1.2.2, 1.2.3 or 1.2.4 loss or damage or bodily injury is not covered by this extension, the burden of proving the contrary shall rest on you.

- 1.3 Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exclusion, this policy does not cover loss of or damage to property or bodily injury 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, bodily injury or expense.

For the purpose of this Exclusion 1.3 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 we allege that, because of Exclusion 2.3, loss of or damage to property or bodily injury is not covered by this policy, the burden of proving the contrary shall rest on you.

Additional benefits

1. Preferred Service providers (Applicable to all sections of this policy)

In each and every instance leading up to a claim it is a condition of the policy that the call centre should be immediately advised of all relevant details. Should the Insured appoint a service provider of their own our limit of indemnity shall not exceed the charges as would have been made by the call centers' approved service providers. However, if the call centre service provider is not used and additional excess of R500 will apply. Call Centre contact no (24HRS / Day – 7 Days / Week) 0861333388

2. Claims Preparation Costs (Applicable to all sections)

The insurance provided by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying particulars or details required by the company in terms of General Condition 3 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, R5 000 plus any amount stated in the schedule to each section against an item for additional claims preparation costs.

If the limit needs to be increased over the amount of R5 000 it can be added as an additional amount for the applicable section e.g. you may want a higher limit for buildings but this would not apply to other sections.

PROPERTY INSURANCE

Defined events

1. Damage by the perils described

- (a) in sub-section A, to all property of the insured or for which the insured is responsible, inter alia but not limited 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), plant equipment and other structures and improvements of a permanent nature and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, posts, fences and tarred or paved roads, driveways, paths, parking areas and fire extinguishing equipment.
- (b) in sub-section B to public supply connections situated as stated in the schedule.

2. Loss of rent/levies as provided in sub-section C**SUB-SECTION A (Property)****Sudden, unforeseen and fortuitous damage caused by:**

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow other than
 - (a) that arising from its undergoing any process necessarily involving the use or application of water
 - (b) wear and tear or gradual deterioration
 - (c) loss or damage
 - (i) to retaining walls loss or damage unless erected in terms architectural and or engineering specifications, proof of which must be supplied post loss.
 - (ii) caused or aggravated by
 - subsidence or landslip
 - your failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimization of any destruction or damage
 - mildew, damp, a rise in the underground water table, rising damp, rust, corrosion or rot.
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, or vehicles or property 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 before the occurrence of damage you obtain our written agreement to continue this extension. During the period of the initial un-occupancy of 30 consecutive days you shall become a co-insurer with us and shall bear a rateable proportion of any damage equal to 20% of the claim before deduction of any first amount payable.
7. Accidental breakage or collapse of radio or television aerials, satellite dishes, aerial fittings or masts.
8. Sudden and unforeseen bursting, overflowing or escape of water or oil from tanks, apparatus or pipes, including any fixed water or oil-fired or gas heating installation, including damage to such tanks, apparatus or pipes including firefighting appliances but excluding damage as a result of wear and tear and gradual deterioration. The limit of indemnity with regards to the replacement of hot water installations (geysers) is limited to R6000 or as specified in the schedule. Subject to the excess stated on The Schedule. This section must be read in conjunction with Section K where applicable.
For the purpose of this section, bursting of the hot water installation (geyser) shall mean the sudden and violent rending or tearing apart of the vessel or parts thereof by force of internal steam, air or fluid pressure accompanied by the forcible ejection of its contents.
9. Accidental physical loss of or damage to the insured property in, on, 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 All Risks) listed in the table of contents of this policy, the limit of which will not exceed the sum stated in the schedule.
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 10, this section shall not be called into contribution for any defined event for which insurance that is more specific has been arranged.

Exceptions applicable to 9 above

We shall not be liable for:

- (a) 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;

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

SUB-SECTION B (Public supply connections)

Sudden, unforeseen and fortuitous accidental damage to water, sewerage, gas, electricity and telecommunication connections your property or for which you are legally responsible, between the property insured and the public supply or mains.

SUB-SECTION C (Rent/levies recoverable from tenants)

In the event of an individual unit or any part thereof being damaged by any of the perils specified in Sub section A above, as to be rendered uninhabitable but only for the period necessary for reinstatement and for an amount not exceeding 20% of the sum insured on the individual unit/s then we will indemnify the owner of the unit against:

- (a) loss actually incurred in respect of rent or
- (b) additional expenses incurred in obtaining similar alternative accommodation.

The basis of calculation shall be the rent / levies payable immediately preceding the damage or its equivalent in rental value

Alternative accommodation (owners)

We shall indemnify you in respect of reasonable costs necessarily incurred by you to secure alternative accommodation

in consequence of your unit being damaged by any insured peril which renders it untenable, but only in respect of the period of reinstatement of your unit and not exceeding 30% of the sum insured of the unit.

The basis of calculation shall be the rent / levies payable immediately preceding the damage or its reasonable equivalent in rental value.

Clauses and extensions

1. Subsidence and landslip extension to sub-section A (if stated in the schedule to be included)
 - 1.1 This section is extended to include loss of or damage to the dwelling caused by subsidence or heave of the land supporting the dwelling or landslip provided such loss or damage is not caused by or does not arise from:
 - 1.1.1 excavations other than mining excavations
 - 1.1.2 alterations, additions or repairs to the dwelling
 - 1.1.1 the compaction of infill
 - 1.1.4 defective design, materials or workmanship
 - 1.1.5 normal settlement, shrinkage or expansion of the dwelling
 - 1.2 We will not be liable for loss or damage to :
 - 1.2.1 solid floor slabs or any other part of the building(s) resulting from the movement of such slabs, unless the foundations supporting the external walls of the building(s) are damaged by the same cause at the same time
 - 1.2.2 swimming pools, tennis courts, patios, terraces, driveways, paths, septic or conservancy tanks, drains, water courses, walls gates, posts and fences unless the building(s) are damaged by the same cause at the same time.
 - 1.3 We will not be liable for:
 - 1.3.1 Work necessary to prevent further loss or damage due to subsidence, heave or landslip except where appropriate design precautions were implemented during the original construction of the building(s) and any subsequent additions thereto

In the event of loss or damage to the building(s) you will be responsible for any first amount payable in the schedule.

2. Lightning Strikes Clause

All loss or damage to the insured property by lightning strikes will be subject to an additional excess of 10 percent of the net amount payable for the items so damaged subject to a minimum of R1 000.00, but not exceeding R5 000.00 per occurrence. However, should the insured property be appropriately and adequately protected by SANS approved safeguards against electrical supply fluctuations, this additional excess will be waived.

3. Prevention of access extension to sub-section C

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, we will pay any loss of rent you may incur as a result thereof up to an amount not exceeding 30 per cent of the sum insured on the affected property. The basis of calculation shall be the rent / levies payable immediately preceding the damage or its equivalent in rental value.

4. Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum (s) insured) to the property for an amount not exceeding 15 per cent of the sum insured thereon, it being understood that you undertake to advise us each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Alterations, additions and improvements not declared / advised to us are not covered in terms of this policy.

5. Demolition and professional fees

We will pay costs necessarily incurred by you with our written consent:

- 5.1 in demolishing the building, removing debris from the site and erecting hoardings required for building operations.

5.2 for architects' quantity surveyors' and consulting engineers' fees.

5.3 for local authorities' scrutiny fees following loss of or damage to the building by an insured peril.

Settlement shall in no case exceed 15% 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.

6. 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 you are legally liable for such costs and the property insured was in danger from the fire.

7. Public authorities' requirement 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 you 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 dispatch 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

8. Railway and other subrogation clause

You 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.

9. 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 your requirements subject to our liability not being thereby increased) must be commenced and carried out with reasonable dispatch, 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 you 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 you shall be considered as being your 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) you fail to intimate to us within six months of the date of damage, or such further time as we may in writing allow, your intention to replace or reinstate the property
 - (b) you are unable or unwilling to replace or reinstate the property on the same or another site.
5. in respect of floor coverings, cupboards, ceramic tiles, electronic equipment and lifts, the insurers liability shall not exceed the cost of reinstating the damaged items at a value not exceeding:
 - 5.1 in respect of floor coverings and cupboards the actual value of replacement carpets and cupboards with due adjustment for wear and tear. Furthermore replacement floor coverings will be restricted to the room only where the damage occurred.
 - 5.2 in respect of ceramic tiles the actual value of the square area of ceramic tiles damaged.
 - 5.3 in respect of lifts and electronic equipment the cost of the components lost and / or damaged and where such items may be obsolete a cash equivalent of the estimated value of such lost or damaged items subject always to a loss limit of R25 000.

The basis of settlement will be as per General exclusions NO 7 (Obsolescence)

10. 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.

11. Tenants clause

The insurance shall not be invalidated by any act or omission on the part of an owner of a unit (except if committed by all the owners in concert or except in respect of damage belonging to the owner whose act or omission caused the damage) or a tenant thereof (without the insured's or owners knowledge), provided that the insured or owner notifies the company as soon as such act or omission comes to their knowledge and pays on demand the appropriate additional premium.

12. Escalator clause extension

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, you 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.

13. 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 willful or wanton act of any person committed with the intention of causing such loss or damage other than loss or damage to

1. insured 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

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2. insured 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 you
 3. insured property owned or occupied by you 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 insured 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 Exclusion 2 - 2.1, 2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.1.5, 2.1.6, or 2.1.7 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 (i), (ii), (iii), (iv) or (v), loss or damage is not covered by this section, the burden of providing the contrary shall rest on you.

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 before the occurrence of any damage you obtain our written agreement to continue this extension.

During the period of the initial un-occupancy of 30 consecutive days you shall become a co-insurer with us and

14. Interest of the Mortgagee

- 14.1 This insurance as to the interest of the Mortgagee (s) in the buildings, improvements, landlord's fixtures and rent insured only 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 effected or renewed or during the currency thereof, or
 - (c) by the alienation of the property, or
 - (d) by the occupation thereof for purposes more hazardous than are permitted by the policy provided that
 - (i) such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been effected without the knowledge or privity of the Mortgagee (s) and;
 - (ii) the Mortgagee (s) shall notify us 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) for 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 us 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.

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- 14.2 All and any amounts becoming payable by us 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 Title Act, be wholly applied to the reinstatement of such damage. If it is resolved or ordered in terms of Section 48 of the Sectional Title 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 mortgagees under their mortgage bonds, whichever is the lesser.
- 14.3 The Condition of Average Clause incorporated within the policy applies to the individual units (excluding the owner's interest in the land) and not to the property as a whole.
- 14.4 No amount shall be payable in terms of this policy except in the event of actual physical damage to or destruction of the insured property, notwithstanding that the insured property may have been deemed to have been destroyed in terms of Section 48 of the Sectional Titles Act, No.95 of 1986, as amended or replaced from time to time, and the provisions of that section shall not apply in regard to the application or interpretation of this policy.
- 15. Glass and sanitary ware**
Accidental breakage of glass, mirrors and sanitary ware, provided it constitutes a fixture to the building. The buildings must be furnished and occupied at the time of the breakage. Chipping, scratching and disfiguration are not covered.
- 16. Marble and granite tops**
Accidental damage to marble and granite tops, provided it constitutes a fixture to the building, the limit of which will not exceed the sum stated in the schedule. The buildings must be furnished and occupied at the time of the breakage. Chipping, scratching and disfiguration are not covered.
- 17. Guards**
Limited to R2 500 per incident or R10 000 in any 12 month renewal period for guards to protect your building following an insured peril. This extension is only available where it can be shown the security of the complex has been compromised.
- 18. Damage to garden**
Limited to R5 000 per insured event for the replacement of trees, plants or shrubs on the premises following damage by fire, firefighting operations, explosion, impact, aircraft or other aerial devices or articles dropped there from, or the deliberate or willful or wanton act of any person committed with the intention of causing such loss or damage
- 19. Builders' risk**
All building and/or alterations must comply with the requirements set out in The Act. Whilst the building is being erected or structurally altered cover provided by:
1. sub section A (3) Glass and sanitary ware ...
 2. sub section C Loss of rent/levies
 3. section H Public Liability
 4. sub section B Public Supply connections
 5. damage to your garden
- Will not apply to loss, destruction, damage or liability arising directly/indirectly from the building operations.
- 20. Loss of water by leakage**
We will indemnify you for costs of water lost through leakage from pipes on your property where you are responsible to pay the charge for such water subject to the following:
- 20.1 in the event of the quarterly/monthly reading of water consumption exceeding the average of the last four quarterly/12 monthly readings by 50% or more we will indemnify you for the cost of such additional water consumed up to a limit of R10000.
- 20.2 up to R10000 shall be payable for not more than two separate incidents in any twelve month period of insurance.
- 20.3 it shall be a condition precedent to liability under this extension that you shall upon discovery of a leak (by physical evidence or on receipt of an abnormally high water account) take immediate steps to repair
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the pipe (s) affected.

20.4 this extension does not cover the cost of remedial action including repairs to pipe(s) affected.

20.5 we shall not be liable for claims:

20.5.1 as a result of leaking taps, geysers, toilet systems and swimming pools.

20.5.2 whilst the property is unoccupied for a period in excess of 30 days.

20.5.3 where the water level of a swimming pool has to be topped up as a result of a leaking inlet or outlet pipe.

21. Removal of fallen trees

We will pay the costs necessarily incurred by you with our written consent for the removal of fallen trees from the building following an insured event, up to R5000 in any 12 month period of insurance.

Specific exclusions

We will not pay for:

1. loss or damage to and the costs necessary to replace or repair, rectify or make good property insured which is defective in condition, normal wasting, wearing away or wearing out, gradual deterioration, however this exclusion shall not apply to other property insured which is free of the defective condition but is damaged by a consequence thereof
2. damage due to lack of maintenance or upkeep
3. the cost of replacing or reinstating property damaged with a more superior or more extensive type than the insured property when new
4. re-design, improvements, betterment or alteration on the occasion of repair, replacement or reinstatement of any loss or damage
5. loss or damage to retaining walls unless erected in terms of architectural and/or engineering specifications, proof of which must be supplied by you
6. any increased cost as a result of the unavailability of matching materials
7. loss or damage caused by domestic pets, termites, insects, vermin, inherent vice, fumes, flaws, latent defects, fluctuations, in atmospheric or climatic conditions or the action of light.
8. loss or damage caused by water resulting from a geyser drip tray not having being installed in accordance with SANS specifications 10254 and 0142 and any subsequent amendments.
9. Loss or damage caused by roots or weeds to paving, walls, pipes, driveways, tanks, cabling, recreational and sporting areas.

OFFICE CONTENTS

Defined events

1. Loss of or damage to the contents (other than documents as defined in sub-section B if insured there-under) including electronic data processing equipment and landlord's fixtures and fittings belonging to you or for which you are responsible and, unless otherwise stated in the schedule, to the extent that the same is not otherwise insured, property owned by any trustees or employee up to an amount of R2 500 per person while contained in the offices situated as stated in the schedule (hereafter called the office premises) by any of the perils specified in sub-section A.
2. Loss of or damage to the whole or part of the property insured under item C and defined in sub-section C and the consequences thereof insured under item D and as described in sub-section D.
3. Loss and/or expenditure described in sub-section D.

ur liability under this section is limited to an amount of R50 000.00 in respect of any one loss, however the limit in respect of Electronic Equipment shall not exceed R20 000.00 in respect of any one loss (unless otherwise stated in The Schedule). Electronic data processing equipment shall be limited to desktops (personal computers), (laptops to be specified), modems, printers, photocopying & facsimile machines and telecommunication equipment.

SUB-SECTION A (Contents)

Sudden, unforeseen and fortuitous damage caused by:

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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 there from.
 5. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes, or vehicles or property on such vehicles
 6. Accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.
 7. Theft accompanied by forcible and violent entry into or exit from the office or any attempt thereat or because of theft (or any attempt thereat) following violence or threat of violence.

Specific conditions

Average (not applicable to peril 6 above)

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 is 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 your 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.

SUB-SECTION B (Documents)

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

Definition

The term documents shall mean:

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

Limitations clause

Our liability under this sub-section is limited to all costs, charges and expenses incurred by you in replacing or restoring such documents up to an amount of R10 000.00.

Specific exclusion

(applicable to sub-section B)

This sub-section does not cover:

- (a) loss or damage caused by
 - (i) electric, electronic, or magnetic injury, disturbance, or erasure of electronic or magnetic recordings except by lightning in which case the lightning loss or indemnifiable amount will be reduced by the greater of 10 percent of such amount or R1 000.00;
 - (ii) Vermin or inherent defect or by processing, copying or other work upon the documents;
 - (iii) The dishonesty of any trustee whether acting alone or in collusion with others. This exclusion shall not apply to any trustee who is also an employee and whom you have the right at all times to govern, control and direct in the performance of his work in your service and in the course of the business.
- (b) gradual deterioration or wear-and-tear
- (c) costs involved in re-shooting films and videos and re-recording audiotapes.

SUB-SECTION C (Legal liability documents)

Legal liability as a direct consequence of loss or damage to documents as defined in sub-section C and in respect of which payment, reinstatement or repair has been made or liability admitted by us under sub-section C unless such payment, reinstatement, repair or liability has not been made or admitted by us solely because you are required to bear the first portion of the loss. Our limit of liability shall not exceed R1 000 000.00

Specific exclusion**(applicable to sub-section C)**

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

SUB-SECTION D (Increase in cost of working)

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

The indemnity under this sub-section shall not exceed 30 percent of the sum insured on all contents of the office premises affected.

SUB-SECTION E (Electronic equipment)

Physical loss of or damage to the property insured described in the schedule from any cause not hereafter excluded whilst: at work or at rest anywhere within a separate office at the premises.

Exclusions

We will not be liable to indemnify you irrespective of the original cause in respect of:

1. the first amount payable as stated in the schedule of each and every occurrence giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one occurrence, 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 sub-section;
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on your behalf covering the insured equipment;
4. faults or defects known to you (or your trustees and/or responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to us or any consequences thereof;
5. wastage of material or the like or wearing out of any part of the insured property 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, we shall indemnify you 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, discs or otherwise;
8. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein;
9. loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry to or exit from the separate office at the premises;
10. loss or damage of whatsoever nature arising directly or indirectly out of or in connection with any action of any computer virus, Trojan or worm (s) or other similar destructive media;
11. loss or damage occurring during the currency of a manufacturer's guarantee unless a claim is first made against the guarantor.

Basis of loss settlement

(1) **Partial loss**

If the insured property suffers damage that can be repaired, the basis of indemnification shall be the restoration expenses reasonably and necessarily incurred to restore the damaged property to working order, provided that:

- (a) the value of damaged parts which can be used will be deducted;
- (b) the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section;
- (c) if, without our consent, temporary repairs are carried out by you in the interests of safety or to minimise further loss or damage to the insured property, the cost of such temporary repairs will be borne by us. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the property insured, any additional costs so incurred or consequence arising therefrom will be for your account;
- (d) where the damage is restricted to a part or parts of an insured item, we shall not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the sum insured.

(2) **Total loss**

(A) In cases where the new property insured is totally lost or destroyed, the basis of indemnification shall be the cost of replacing or reinstating on the same site new property of equal performance and/or capacity or, if such be impossible, its replacement by new property having the nearest equivalent performance and/or capacity to the property lost or damaged provided always that:

- (i) the work of replacement or reinstatement must be commenced and carried out with reasonable dispatch otherwise no payment exceeding the market value of the property insured immediately before the damage shall be made;
- (ii) until expenditure has been incurred by you in replacing or reinstating the property insured, 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;
- (iii) these conditions shall be without force or effect if
 - (a) you fail to intimate to us within 90 days of the date upon which the damage occurred (or such further time as we may in writing allow) your intention to replace or reinstate the property insured
 - (b) you are unable or unwilling to replace or reinstate the property insured on the same site;
- (iv) at our sole option, following commercial and technical appraisal by our representative the period referred to in the definition of new property may be extended (on an annual basis from renewal date) subject always to such extension of period being admitted by memorandum to this policy.

Definition of new property insured

- (A) New property shall mean property purchased no more than seven (7) years (or such extended period as may be approved by us in writing) prior to the defined event, it being expressly agreed that in applying this definition upgrades and enhancements will be taken into account in arriving at an indemnifiable amount and the age of the property insured.
- (B) In respect of insured property not provided for in (A) above, the basis of indemnification shall be the market value of the insured property immediately before the loss or damage.
At our option, the insured property shall be considered totally destroyed if the repair costs as defined in (1) above equal or exceed its market value immediately before the damage.

Definition of market value

The current day purchase price of second-hand/used property of equal performance and/or capacity to the property lost or damaged and of substantially similar condition. Where no similar property is available, market value shall be calculated by deducting from the current new replacement value of the nearest equivalent property, an amount

representing:

- (i) 20 percent for the first year after the date of purchase and
 - (ii) 10 percent per year for each succeeding year
- subject always to a minimum indemnity of 40 percent of the current new replacement value of the nearest equivalent property.

Average

In respect of (1) and (2) above, if at the time of repair, replacement or reinstatement, the sum representing the cost which would have been incurred in repair, replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon at the time of any loss of or damage to such property, then you shall be considered as being your own insurer for the difference and shall bear a rateable portion 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.

Lightning strikes

All loss or damage to the insured property by lightning strikes will be subject to an additional excess of 10 percent of the net amount payable for the items so damaged subject to a minimum of r1 000.00, but not exceeding r5 000.00 per occurrence. However, should the insured property be appropriately and adequately protected by suitable safeguards against electrical supply fluctuations, this additional excess will be waived.

Hire purchase / finance agreements

Where we have knowledge of the property insured or any individual item thereof being the subject of a suspensive sale or similar agreement, payment hereunder shall be made to the owner described therein whose receipt shall be a full and final discharge to us in respect of loss or damage indemnifiable by this sub-section of the policy.

Clauses and extensions

Alterations and misdescription clause

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

Capital additions clause

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

Fire-extinguishing charges clause

Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which we may be liable in terms of this section provided that you are 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 we will indemnify you in respect of the cost of replacing locks and keys to any insured office premises following upon the disappearance of any key to such premises or following upon you having reason to believe that any un-authorized person may be in possession of a duplicate of such keys provided that:

- (i) our liability shall not exceed R1 500.00 in respect of any one event;
- (ii) we shall not be liable for the first R100.00 of each and every event.

New and additional premises clause

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

- (i) you shall, within a reasonable time of taking occupation, advise us thereof and pay an additional premium calculated *pro rata* from the time of taking occupation until the end of the then current period of insurance;
- (ii) this clause shall not apply to any loss if and so far as the same is otherwise insured.

Removal of debris clause

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

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.

Temporary removal clause

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

Temporary repairs and measures after loss clause

The insurance under this section is extended to include all reasonable costs and expenses incurred by you in effecting such temporary repairs and by taking such temporary measures as may be reasonably necessary after loss of or damage to the insured property by any peril hereby insured against, provided that our liability for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the schedule to be insured on the property affected.

Tenants clause

Any act or omission on the part of any owner of a building or any tenant (other than you) without your knowledge shall not affect our liability to you. You shall, however, inform us as soon as any such act or commission, which is a contravention of any of the terms, exclusions or conditions of this section comes to your knowledge and will be responsible for any additional premium payable from the date that any increased hazard shall be assumed by us.

Replacement value condition

The basis upon which the amount payable for a claim in respect of contents is calculated shall be either the replacement of the contents by similar property in a condition equal to but not better or more extensive than its condition when new or the repair of the contents to a condition substantially the same as but not better than its condition when new, provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the contents had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the time of the loss or damage, then you shall be considered as being your own insurer for the difference and shall bear a rateable portion of the loss accordingly. (Also see General Exclusions 8 and 9)

Malicious damage extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained herein sub section A and B are extended to cover damage directly occasioned by or through in consequence of the deliberate or willful or wanton act of any person committed with the intention of causing such damage, other than damage to:

1. moveable 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. moveable or immovable property which is damaged by thieves whilst breaking/attempting to break into our out of any building owned or occupied 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 thereof
 - (b) the demolition or partial demolition or any attempt thereof

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 the 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) (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 such occurrence

If we allege 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 you.

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 effected unless you, before the occurrence of any damage obtains our written agreement to continue this extension

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

MONEY

Events insured against

1. Loss of or damage;
 - 1.1 to money (as defined) from any cause not specifically excluded attributable to one source or original cause shall not exceed the limits stated in the schedule.
 - 1.2 to any safe, strong room, cash box, cash register, or other container of money resulting from the theft or any attempt thereof of money shall be limited to R2000 per event.
 - 1.3 to clothing and/ or personal effects of any trustee or employee of the body corporate resulting from the theft or any attempt thereof of money shall be limited to R500 per event.
 - 1.4 to money not contained in a locked safe or strong room in the residence or office of any trustee or employee but limited to R1500 per event.
whilst in or at the premises specified in the policy or in transit thereto or there from for the purpose of deposit or withdrawal.
occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe and Malawi unless otherwise specified.
2. The cost (if more than R250) of replacing locks and keys or strong room door at the insured premises following the disappearance of any key limited to R2000 per event

Definitions

Money shall mean cash, bank and currency notes, cheques, postal orders, money orders, current negotiable postage, revenue and holiday stamps, credit card vouchers and documents, certificates or other instruments of a negotiable nature, your property or for which you are responsible.

Clothing shall mean clothing and personal effects not otherwise insured belonging to you or to any trustee or employee.

Receptacle shall mean any safe, strong room, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

Limit of indemnity under this section is R10 000 (Ten Thousand Rand) unless otherwise stated in the schedule.

Extensions

1. **Skeleton keys**

The insurance under this section extends to cover loss of or damage to the insured property caused or accompanied by entry to receptacles by use of a skeleton key or other similar device (excluding a duplicate key) provided that you shall establish to our satisfaction that a skeleton key or device was used.
2. **Personal accident (assault) extension (If stated to be included)**

The term "defined events" in the money section shall be deemed to include bodily injury, caused by accidental, violent external and visible means as a result of theft, or any attempt thereof, to the insured or to any trustee or employee (hereafter in this extension referred to as such person) while such person is acting in the course of

his duties in your employ.

We will pay to you, on behalf of such person or his estate, the sum or sums stated in the schedule in the event of bodily injury to such person resulting within 24 calendar months in

1. death.....the capital sum
2. permanent disability as follows.....the percentage of the capital sum specified

The capital sum shall mean an amount of R10 000 (Ten Thousand Rand)

Percentage of capital sum

(a)	loss by physical separation at or above the wrist or ankle of one or more limbs	100
(b)	permanent and total loss of whole eye	100
	sight of eye	100
	sight of eye except perception of light	75
(c)	permanent and total loss of hearing both ears	100
	one ear	25
(d)	permanent and total loss of speech	100
(e)	injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge and training.....	100
(f)	loss of four fingers	70
(g)	loss of thumb both phalanges.....	25
	one phalanx.....	10
(h)	loss of index finger three phalanges.....	10
	two phalanges.....	8
	one phalanx.....	4
(i)	loss of middle finger three phalanges.....	6
	two phalanges.....	4
	one phalanx.....	2
(j)	loss of ring finger three phalanges.....	5
	two phalanges.....	4
	one phalanx.....	2
(k)	loss of little finger three phalanges.....	4
	two phalanges.....	3
	one phalanx.....	2
(l)	loss of metacarpals first or second (additional).....	3
	third, fourth or fifth (additional)	2
(m)	loss of toes all on one foot.....	30
	great, both phalanges.....	5
	great, one phalanx	2
	other than great, if more than one toe lost, each	2

MEMORANDA (Applicable to permanent disablement benefits)

1. Where the injury is not specified we will pay such sum as in our opinion is consistent with the above provisions.
2. Permanent total loss of use of part of the body shall be considered as loss of such part.
3. 100 percent shall be the maximum percentage of compensation payable for disability resulting from an accident or series of accidents arising from one cause in respect of any such person provided that:
 - (a) this extension shall not apply to any such person under 15 or over 70 years of age;
 - (b) General Exclusion 3 and General Conditions 10 and 19 do not apply to this extension
 - (c) in respect of this extension only General Exclusion 2 is deleted and replaced by the following:
This extension does not cover death or bodily injury directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution or military or usurped power.
 - (d) after suffering bodily injury for which benefit may be payable under this extension, such person shall submit to medical examination and undergo any treatment specified. We shall not be liable to make any payment unless this proviso is complied with to our satisfaction.
 - i. in the case of total and absolute incapacity from following usual business or occupation the weekly sum specified in the schedule shall be payable
 - ii. the reasonable expenses incurred up to the sum specified in the schedule shall be payable in respect of medical surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or the bringing of such person to a place of safety) incurred within 6 months of the defined event.

Extensions (Applicable to the personal accident (assault) extension)

1. Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements directly or indirectly resulting from such person being the victim of theft or any attempt thereat.
2. In the event of disappearance of any such person in circumstances which satisfy us that he has sustained injury to which this personal accident (assault) extension applies and that such injury has resulted in the death of such person, we will, for the purpose of the insurance afforded by this extension, presume his death provided that if, after we shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by you to us.

Limits of liability

1. Loss of or damage to cheques, money or postal orders, crossed not transferable or not negotiable – R100000
2. In respect of all other money – the sum insured as stated in the schedule

Specific exclusions

We shall not be liable for loss of or damage to money

1. arising from dishonesty of any trustee or persons in your employ not discovered within 14 working days of the occurrence thereof;
2. arising from shortage due to error or omission;
3. Arising from the use of keys to any safe or strong room unless the keys
 - (a) are obtained by violence or threats of violence to any person;
 - (b) are used by the key holder or some other person with the collusion of the key holder and you can prove to our satisfaction that the key holder or such other person had used the keys to open the safe or strong room;
4. in an unlocked safe or strong room whilst the portion of the premises containing such safe or strong room is unattended, but this exclusion will not apply if it can be shown to our satisfaction that the person(s) responsible for the money deliberately left it outside the safe or strong room with the intention of allowing it to be stolen;

5. not contained in a locked safe or strong room whilst the portion of the premises containing such money is unattended, but this exclusion will not apply if it can be shown to our satisfaction that the person(s) responsible for the money deliberately left it outside the safe or strong room with the intention of allowing it to be stolen;
6. in any vehicle being used by you unless a trustee or employee is actually in such vehicle or, if not in such vehicle, is within 5 meters of it in a position from which the vehicle is clearly visible. This exclusion shall not apply following an accident involving such vehicle rendering said person incapacitated.
7. in postal transit other than crossed cheques whilst in transit by registered mail

Specific exclusions (3), (4), (5) and (6) do not apply up to an amount of R1 500.00 and such losses shall not be reduced by any first amount payable.

Memoranda

1. Loss of or damage to money as insured under this section arising from dishonesty of any trustee or person in your employ, (such person) as defined under this section, shall be subject to the following compulsory First Amount Payable Clause. The amount payable hereunder in respect of an event involving any such person or any number of such persons acting in collusion, shall be reduced by:
 - (a) 2 percent of the applicable limit under defined events plus
 - (b) a further amount of 10 percent of the net amount payable after deduction of the 2 percent specified in (a) above
2. We shall not be liable under this section of the policy in respect of loss or damage arising from any event in respect of which a claim is payable, or would be payable but for any first amount payable or co-insured clause under the fidelity section of the policy or any other fidelity insurance.

Special conditions applicable to money limits

1. Money not contained in a locked safe or strong room
 - 1.1 while on your premises outside the hours during which your commercial operations are conducted;
 - 1.2 while in your residence or any trustee;
 - 1.3 while in the custody of any collector;
 - 1.4 while in the custody of a trustee or employee whilst away from your premises on a business trip anywhere in the world.

Our liability shall not exceed R1 500.
2. Money contained in a locked safe or strongroom situated in a building at your premises outside the hours during which your commercial operations are conducted is limited according to the following grading of safe or strongroom:
 - 2.1 No SABS grading.....R 2 500
 - 2.2 SABS Category 1 gradingR 5 000
 - 2.3 SABS Category 2 gradingR 12 500

provided that our liability shall not exceed the amount stated in the schedule.

Special conditions applicable to cheques

First amount payable applicable to theft of cheques

Any loss or series of losses attributable to one original event which is payable under this section and which results from the theft of any cheque or cheques shall be reduced by a first amount payable up to 25% of the loss indemnifiable by this section unless:

1. Cheques drawn by You
 - (a) the cheque has been drawn and crossed exactly in accordance with the undermentioned “Recommended South African Insurance Association (SAIA) procedure for drawing and crossing of cheques” or any other superior method approved by the SAIA and the printed portion of the cheque (as opposed to the written or typed portion) has been printed by the bank itself or a printer or a printer licensed to print cheques by the Automatic Clearing Bureau
or
 - (b) the cheque has been dispatched to the payee by certified post or any post where the security is equal

or superior to certifies post.

2. Cheques drawn by someone other than you and which were received by you by post or direct by the cashier
 - (a) such cheques has been crossed and marked “not negotiable” and marked “not transferable” immediately on receipt thereof by you and
 - (b) you are able to identify the drawer and amount of the cheque from their records.
3. Cheques of which you are the true owner which were drawn by someone other than you and posted to you but not received
 - (a) the cheque has been drawn and crossed exactly in accordance with the undermentioned “Recommended SAIA procedure for drawing and crossing of cheques” or any other superior method approved by SAIA
or
 - (b) the cheque was dispatched to you by certified post or any post where security is equal or superior to certified post
or
your invoice (to which payment by cheque relates) contains a message (approved by us) on it recommending or requiring that the cheque be drawn in accordance with the undermentioned, “Recommended SAIA procedure for drawing and crossing of cheques”.

Recommended SAIA procedure for drawing and crossing of cheques and printing of blank cheques

A. Drawing and crossing of cheques

One of the safest methods of drawing and crossing a cheque, which is acceptable to banks, is as noted hereunder. This method is recommended by the SAIA

1. Delete the pre-printed words “or bearer”. This limits the possibility of the drawee bank paying out to a bearer who might not be entitled to payment
2. If instead of “or bearer” your cheque has pre-printed on it “or order” these words must also be deleted
3. Write on the face of the cheque the words “not transferable”
4. Cross the cheque by drawing two parallel lines across the cheque
5. Write the words “not negotiable” between the two parallel lines referred to in 4 above
6. Ensure that the payee is accurately, properly and fully described for example where the payee is a company its full name should be used: RH Jones (Pty) Ltd not just RH Jones

Where the bank account number or CC number of the payee is known this should be included after the name of the payee, for example, “RH Jones (Pty) Ltd, Co No: 69/123456 “or RH Jones (Pty) Ltd ABC Bank account no: 123456789”

Whilst highly recommended it is not compulsory to use the bank account number of the payee

7. In drawing the cheque no spaces should be left which would allow anyone to add extra words or figures
8. All the markings on a cheque should be legible and clearly visible. Persons drawing cheques should not use abbreviated or different versions of the terminology used in the example. The words “not neg” and a crossing using a rubber stamp containing a rectangle rather than two parallel lines are worthless
9. The method used to complete cheques should be one, which makes an ink impression on the paper like handwriting, a typewriter or a dot matrix printer. The ribbon used on the printer/ typewriter should be of the type, which impregnates the paper with ink. Do not use:
 - (i) old ribbons
 - (ii) laser printers which do not make an impression into the paper
 - (iii) the “reverse printing technique”
 - (iv) correctable type ribbons.

B. Printing of blank cheques

Blank cheques should only be printed by the Bank itself or a printer licensed by the Automatic Clearing Bureau.

The printers know the recommended requirement of banks and should only use approved:

1. security paper (CBS 1 or superior)
2. security designs
3. special security inks compatible with the security paper/ design
4. methods which make it difficult for anyone to make supply of blank cheques by photocopying the originals

FIDELITY

Defined events

1. Loss of money and/or other property belonging to you or for which you are responsible stolen by insured trustees or employees during the currency of this section.
2. Direct financial loss sustained by you as a result of fraud or dishonesty of insured trustees or employees all of which occurs during the currency of this section which results in dishonest personal financial gain for the insured trustees or employees concerned provided that:
 - (i) (a) we are not liable for all losses that occurred more than 24 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 or employee concerned in a loss, or
 - (iii) the employment of the insured trustee or employee or the last of the insured trustees 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) our liability for all losses shall not exceed the sum insured stated in the schedule whether involving any one insured trustee or employee or any number of insured trustees 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 our liability beyond the sum insured stated in the schedule. If the period of insurance is less than 12 months, our liability is limited to the sum stated in the schedule during any 12-month period of insurance calculated from inception or renewal;
 - (iv) the term "dishonest personal financial gain" shall not include gain by an insured trustee 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 you;
- (b) any person while hired or seconded from any other party into your service; who you have the right at all times to govern, control and direct in the performance of his work in the course of your business 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.

Specific exclusions

1. We shall not be liable for:
 - (a) loss resulting from or contributed to by the fraud or dishonesty of any trustee or employee from the time the insured shall become aware that such trustee or employee has committed any fraud or dishonesty;
 - (b) any consequential losses of any kind following losses referred to under Defined Events;
 - (c) the first amount payable.

Specific conditions

1. You 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 your business as have been represented to us, but you may:
 - (a) change the remuneration and conditions of service of any trustee or employee;
 - (b) in respect of any trustee or employee who is described in the schedule by name, change his duties and position;
 - (c) in respect of any trustee or employee who is described in the schedule only by the position held by him, remove such trustee or employee and place in his position any other person who falls within the definition of trustee or employee;
 - (d) make such other changes as are approved beforehand in writing by your auditors.
2. If you shall sustain any loss to which this section applies, which exceeds the amount payable hereunder in respect of such loss, you shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or effected by us 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 us and you to the extent of your co-insurance in terms of item (b) of the compulsory first amount payable clause.

Clauses and extensions

Retroactive cover

We will accept as though it were a loss occurring during the Period of Insurance any loss occurring during the 12 months immediately prior to the inception of this insurance provided that:

1. such loss occurred during the currency of the Body Corporates' previous Fidelity insurance with another insurer;
2. such loss is excluded from such previous insurance but only on the grounds that it's discovery was not made soon enough;
3. the additional cover granted in this respect shall not be called into contribution by any previous insurer

Accountants clause

Any particulars or details contained in your books or account of other business books or documents which may be required by us under this section for the purpose of investigation or verifying any claim hereunder may be produced and certified by your auditors or professional accountants and their certificate shall be evidence of the particulars and details to which it relates.

Extended cover for past trustees and employees extension

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

Other insurance

It is a condition of this section that other than

- (a) a money policy;
 - (b) that declared to us 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 the risks insured hereunder. Notwithstanding specific condition (b) above, this shall not be held to override General Condition 10 - other insurance.

Compulsory first amount payable

The amount payable under this section in respect of a defined event involving one trustee or employee or any number of trustees or employees acting in collusion shall be reduced by:

- (a) 2 percent of the sum insured under defined events plus
- (b) a further amount of 10 percent of the net amount payable after deduction of the amount specified in (a) above. Both amounts shall be borne in full by you and remain uninsured.

Memoranda

1. In the event of the discovery of any loss resulting from a defined event, you may, notwithstanding anything to the contrary contained in paragraph 3.3 of General Condition 3, refrain from reporting the matter to the police but shall do so immediately should we require such action to be taken.
2. Non-disclosure of his own fraud or dishonesty or that of others with whom he is in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section.
3. General Exclusions 2 and 3 and General Condition 15 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.

ALL RISK**Defined events**

Loss or damage to property insured by any accident or misfortune not otherwise excluded

Replacement value conditions

The basis upon which the amount payable is to be calculated shall be either:

The replacement of the property by similar property in a condition equal to but not better nor more expensive than its condition when new

Or

The repair of the property to a condition substantially the same as but not better than its condition when new

Provided that if at the time of replacement or repair the sum representing the cost which would have been incurred in replacement if the whole of the property had been lost destroyed or damaged beyond repair exceeds the sum insured thereon at the commencement of the loss or damage, then the you shall be considered as being your own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

Specific exclusions

We shall not be liable for:

1. loss or damage to property resulting from or caused by
 - (a) theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit;
 - (b) its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration;
 - (c) inherent vice or defect, vermin, insects, damp, mildew or rust;
 - (d) the dishonesty of any trustee or employee whether acting alone or in collusion with others;
 - (e) detention, confiscation or requisition by customs or other officials or authorities;
 - (f) any loss occasioned by errors or omissions in receipts payments or accountancy or any loss by disappearance or shortage if such disappearance or shortage is revealed only during or after the making of an inventory
 - (g) the amount of any deductible as stated in the Schedule

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2. wear-and-tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
 3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded.
 4. loss or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts, or securities of any kind
 5. loss of or damage to goods consigned under a bill of lading

TRUSTEES INDEMNITY

Defined events

All sums that the Body Corporate and/or Trustee(s) shall become legally liable to pay arising out of any wrongful act of a Trustee, by the actual or alleged breach of trust, breach of duty, neglect, error, misstatement, misleading statement, omission or other act wrongfully committed or attempted by a Trustee 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, in the course of acting in his capacity as Trustee of the Body Corporate.

The limit of indemnity

The maximum amount payable under this section is limited to R1,000,000 any one event or series of events and in all in one (annual) period of insurance.

Specific exceptions

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

1. any liability for the payment of VAT
2. any indemnity claimable or claimed under any other insurance
3. any Trustee(s) committing any wrongful act(s) knowing such act(s) to be illegal or fraudulent, provided that this exception shall not apply to any innocent party affected by such act(s)
4. any first amount stated in the schedule
5. any remuneration or other monies for which the Body Corporate or Trustee(s) are legally liable
6. death, disease or illness of or bodily injury to any employee of the Body Corporate arising out of or in the course of such employment
7. death, disease or illness of or bodily injury to any person other than an employee of the Body Corporate or loss of or damage to property, unless arising out of advice or omission to perform a professional duty
8. fines, penalties, punitive, exemplary or vindictive damages
9. 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
10. costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in 9. above
11. any claim arising from an event known to the insured
 - (a) prior to inception of this section
 - (b) which is not reported to the company in terms of General condition 6
12. the consequences of any circumstance known to the insured at inception of this section and which might reasonably be expected to produce a claim, unless declared in advance by the insured and accepted by the company
13. any claim (in the event of cancellation or non-renewal of this extension) not first made in writing against the

insured within the 48 month period (or extended period in respect of minors) as specified in Specific condition 2

14. (a) damages in respect of judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland.
- (b) costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in 14 (a) above.

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 as the insured reported the event to the company.
2. In the event of cancellation or non-renewal of the extension,
 - (a) any claim resulting from a reported event, first made in writing against the insured during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against the insured on the same day that the insured reported the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant
 - (b) the insured may report an event in terms of General condition 6 to the company for up to 15 days after cancellation or non-renewal, provided
 - (i) such event occurred during the period of insurance
 - (ii) any subsequent claim first made in writing against the insured as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 48 month period specified in 2(a) above
3. Any series of claims made against the insured by one or more than one claimant during the 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 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 against the insured.

Definition

For the purposes of this insurance a wrongful act shall be:

“any actual or alleged breach of trust, breach of duty, neglect, error, misstatement, misleading statement, omission or other act wrongfully committed or attempted by a Trustee which arises solely by reason of his acting in his capacity as Trustee of the Body Corporate”.

EMPLOYERS' LIABILITY

Defined events

Damages which you 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 you, which occurred in the course of and in connection with such person's employment by you within the territorial limits and on or after the inception date of this policy, and which results in a claim or claims first being made against you in writing during the period of insurance.

The limit of indemnity

The amount payable, inclusive of any legal costs recoverable from you by a claimant or any number of claimants and all other costs and expenses incurred with our 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 you at or from premises outside
or
- (ii) any contract for the performance of work outside
the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

Specific exclusions

This section does not cover

- (a) liability assumed by you under any contract, undertaking or agreement where such liability would not have attached to you 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 you which are not incurred in and recoverable in the area described in (d) (i) above.
- (e) any claim arising from an event known to you
 - (i) which is not reported to the company in terms of General Condition 3
 - (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 you within the 48-month period (or extended period in respect of minors), as specified in Specific Condition 2

Specific conditions

1. Any claim first made in writing against you as a result of a defined event reported in terms of General Condition 3 (hereafter termed reported event) shall be treated as if it had first been made against you on the same day that you reported the event to us.
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 you during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against you on the same day that you reported the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the claimant has attained majority;
 - (b) you may report an event in terms of General Condition 3 to us for up to 15 days after cancellation or non-renewal, provided that
 - (i) such event occurred during the period of insurance
 - (ii) any subsequent claim first made in writing against you as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 48-month period specified in 2 (a) above.
3. Any series of claims made against you 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 you
 - (a) on the date that the event was reported by you in terms of General Condition 3
or
 - (b) if you were not aware of any event that could have given rise to a claim, on the date that the first claim of the series was first made in writing against you.

Extensions

Extended reporting option

At your option and subject to payment of an additional premium to be determined and subject to all the terms, exclusions and conditions of this section, we agree to extend the period during which you may report an event in terms of General Condition 3 for a period to be agreed, but in no circumstances exceeding 36 months (hereafter referred to as extended reporting period)

provided that

- (a) this option may only be exercised in the event that we cancel or refuse to renew this section;
- (b) this option must be exercised by you in writing within 30 days of cancellation or non-renewal;
- (c) once exercised, the option cannot be cancelled by either you or us;
- (d) you have not obtained insurance equal in scope and cover to this section as expiring;
- (e) we shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal;
- (f) claims first made against you or any reported events by you during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal;
- (g) the total amount payable by us for claims made or events reported during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the cancellation or non-renewal;
- (h) any claim made, following a reported event during the extended reporting period, which is first made against you in writing more than 48 months after the last day preceding cancellation or non-renewal, shall not be subject to indemnification by this extension. If the claimant is a minor, the period of 48 months is extended until the expiry of 12 months after the attainment of majority by the claimant.

Principals

Where a principal and you are liable for the same damages and where any contract or agreement between a principal and you so requires, we will, notwithstanding the aforementioned Specific Exclusion (a) above, indemnify the principal in like manner to you, 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 your or your employee's negligence

provided that

- (a) in the event of a claim in terms of this extension, you shall endeavour to arrange with the principal for the conduct and control of all claims to be vested in us;
- (b) the principal shall, as though he were you fulfill and be subject to the terms, exclusions and conditions (both general and specific) of this policy in so far as they can apply;
- (c) our liability is not hereby increased.

Memorandum

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

This section does not cover death, injury, illness or liability directly 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.

EXTENDED LIABILITY

Cover

As per underlying Public Liability - Claims Made and Employers Liability sections of the wording only.

MACHINERY BREAKDOWN

Defined events

Sudden and unforeseen physical damage to the insured machinery described below:

Item	Description of Machinery	Sum Insured	First amount payable
1.	air-conditioning plant, swimming pool machinery, saunas, spa baths, jacuzzis, borehole pumps and motors, automatic gates, garage doors, electrical switchgear, hoists, transformers	} As stated in the schedule	
2.	lift room machinery and equipment and all associated shafting and controlling switchgear, boilers,, escalators,		
3.	other items to be specified and rated for		

forming part of the buildings insured under the Building Section of this policy, whilst it is at work or at rest or whilst being dismantled for the purpose of cleaning, inspection and overhaul or removal to another position or in the course of these operations themselves or subsequent re-erection

but excluding,

1. damage to property in item 2 which is not the subject of a regular maintenance agreement
2. damage resulting from experiments, overloads or tests
3. any cost of replacing reinstating or making good wear and tear gradual deterioration, expendable parts, corrosion, erosion, deposit of scale , sludge or other sediment or any other direct consequence of progressive or continuous influence from working or atmospheric or chemical action, rust or scratching of painted or polished surfaces
4. damage for which the manufacturer supplier or lessor is responsible
5. the amount of any deductible.

Specific condition

You shall take reasonable precautions to ensure that the machinery is maintained in good working order and neither habitually nor intentionally overloaded and that Government and other regulations relating to the operation of the machinery are observed.

Basis of settlement (always subject to the limit stated in the schedule)

- A. Partial loss

If we elect to repair a partially damaged insured item the basis of settlement shall be the cost of restoration to working order based on the customary daily rates of wages plus normal freight and other charges less

 - (a) the value of any salvaged material
 - (b) the cost of alterations additions, improvements and overhauls carried out at the same time as the repair

If the damage is restricted to a part of an insured item we shall not be liable for more than the value of such part or parts allowed for in the sum insured plus dismantling re-erection and freight expenses.
- B. Total loss

If an insured item is totally destroyed the basis of settlement shall be the new replacement value immediately before the accident plus the cost of removing the damaged machinery less
a reasonable allowance for use and the value of the remains

GEYSER MAINTENANCE

Geysers maintenance (if stated in the schedule to be included)

1. We will indemnify you for the cost of the repair or the replacement, in part or the whole of the geyser plus the cost of the repair of the resulting water damage to the insured building, against loss or damage directly or indirectly caused by contributed to or arising from rust, decay, gradual deterioration, wear and tear, cracking, splitting, faulty materials and workmanship, inherent vice and latent defects. However we will not indemnify you for loss or damage to the geyser as defined against faulty materials and workmanship, inherent vice and latent defects within the manufacturer's guarantee/warranty period.

Limit of indemnity under this section of the policy is restricted to:

- i. where the whole of the geyser requires replacement see policy schedule
- ii. where one or more parts of the geyser require replacement –
R1200 per unit per insurance period

subject to the excess as stated on The Schedule.

Definition of geyser(s)

The Geyser unit 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 and a half meters 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 conditions

1. The geyser(s) must be installed in accordance with SANS specification 10254 and 0142 and any subsequent amendments. Should you not be able to prove that the geyser was installed in accordance therewith then the first amount payable shall increase by R1 000.00 (One Thousand Rand) per claim.
2. Whenever applicable, the Insured must complete the manufacturer's approved installers' document, which the installer must submit to the manufacturer.
3. The Geyser(s) must be installed under cover and must not be directly exposed to the weather.
4. Only the manufacturer or its authorised agents may affect repairs and/or replacements, should the geyser still be under the manufacturers' guarantee.

PUBLIC LIABILITY (CLAIMS MADE BASIS)

Operative clause

Damages which the Insured shall become legally liable to pay consequent upon injury or damage which occurred in the course of or in connection with the business 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 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 the company's consent for anyone event or series of events that gave rise to the claim or claims, shall not exceed the limit of indemnity stated in the schedule.

Territorial limits

Anywhere in the world but not in connection with

- (a) any business carried on by the Insured at or from premises outside of or
- (b) any contract for the performance of work outside of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

Cross liabilities

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

Definitions

- 1. Injury**
means bodily injury, illness inclusive of mental disease or death to any person.
- 2. Damage**
means the physical damage or loss of control to tangible property.
- 3. Employee**
means any person currently (or who at the time of the claim event was) employed under a contract of service with the Insured including partners, executive and non-executive directors, consultants and temporary employees employed by the Insured.
- 4. Product**
means any tangible property (inclusive of containers and labels) after it has left the custody or control of the Insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired inclusive of any gratuitous or technical advice given by the Insured in the promotion of such product. This shall exclude food and drink provided as a staff benefit to employees by the Insured.
- 5. Pollution**
Means the emission, discharge, release, dispersal, disposal, seepage or escape of any liquid, solid, gaseous or thermal irritant, contaminant inclusive of the generation of smell, noises, vibrations, light, electricity, radiation, changes in temperature or any other sensory effects upon land, water or the atmosphere.
- 6. Proposal**
Means the application for the insurance cover provided by this policy including the proposal form identified in the schedule together with any other documentation or information submitted to the company for consideration of the risk.
- 7. Schedule**
means the schedule attaching to this Policy, incorporating all Endorsements.
- 8. North America**
Means The United States of America and Canada and or any other territory that may be operating under the laws of these two respective countries.
- 9. Policy**
Means the contents of this document together with the schedule, incorporating all Extensions and Endorsements, issued from time to time by the company and the proposal which shall all be read together as evidencing the contract of insurance.
- 10. Insured**
Means any person or persons, company, or other entity as listed as Insured in the schedule acting as a director, member, partner or principal of the business
 - (a) including their predecessors in that specific business as director, member, partner or principal and
 - (b) any person who becomes a director, member, partner or principal during the period of insurance, but limited to the extent that liability only attach to the insured.
- 11. Takeover or merger**
means any transaction whereby another company acquires control over the assets or management of the named Insured or whereby the assets of the Insured become vested in or under the control of another company including a transfer of whole or any part of a business, trade or undertaking that is transferred as a going concern.

Specific exceptions

The company will not indemnify the Insured in respect of

1. liability consequent upon injury to any person employed by the Insured under a contract of service or apprenticeship and arising from and in the course of such employment with the Insured
2. damage to

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- (a) property
 - i. belonging to the Insured
 - ii. property in the custody or control of the Insured or any employee of the Insured but this exception shall not be applicable to the premises (or contents thereof) temporarily occupied by the Insured for work therein.
 - (b) that part of any property on which the Insured is or has been working if such damage results directly from such work.
3. liability consequent upon injury or damage caused by or through or in connection with
 - (a) any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the Insured.
 - (b) 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 trailer or of any watercraft exceeding 5 meters in length or of any watercraft 5 meters and less but that is not used on inland waterways only, locomotive or rolling stock. 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 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)
 - i. the refuelling of aircraft
 - ii. the ownership, possession, maintenance, operation or use of aircraft or an airline
 - iii. the ownership, hiring or leasing of any airport, airstrip or helicopter pad.
 - (d) goods or products (including containers and labels) sold or supplied and happening elsewhere than on premises occupied by the Insured other than food and drink supplied incidentally for consumption on the premises.
 4. damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
 5. assumed by the Insured by agreement unless such liability would have attached in the absence of such agreement.
 6. fines, penalties, punitive, exemplary or vindictive damages.
 7. damages in respect of judgements delivered awarded or settlement made within North America or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part.
 8. Damages which shall include costs and expenses of litigation recovered by any claimant from the Insured, in respect of any claim arising from an event known to the Insured which is not reported to the company in terms of General Condition 6 Claims.
 9. the first amount payable as per schedule.
 10. liability consequent upon injury or damage arising out of deliberate disregard by the Insured of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim
 11. any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act 89 of 1998 (as amended) or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the liability arose.
 12. any liability arising from pollution inclusive of the cost of nullifying or cleaning up of the pollution provided that it will not apply for any claims arising from a sudden, unintended and unexpected occurrence.

Memorandum

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

“This section does not cover injury, damage to property 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 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.
In the event of cancellation or non-renewal of the policy, the Insured may report an event in terms of General condition 6 to the company for up to 30 days after cancellation or non-renewal, provided such event occurred during the period of insurance.
2. 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.

Manifestation Clause

Where the facts do not speak for themselves and the Company and the insured cannot mutually agree when the injury or damage occurred, then for the purpose of determining the indemnity granted:

- (a) Injury shall be deemed to have occurred when the claimant first consulted a qualified Medical Practitioner in respect of such Injury, whether or not it was correctly diagnosed at the time. If no such consultation took place, then Injury shall be deemed to have occurred when the Insured was first advised of the Injury.
- (b) Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

Extensions

Extended reporting option

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

- (a) this option may only be exercised in the event of the company cancelling or refusing to renew this section;
- (b) this option must be exercised by the Insured in writing within 30 days of cancellation or non-renewal
- (c) once exercised, the option cannot be cancelled by either the Insured or the company;
- (d) the Insured has not obtained insurance equal in scope and cover to this section as expiring;
- (e) the company shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal;
- (f) claims first made against the Insured for any reported event by the Insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal;
- (g) the total amount payable by the company for claims made or reported events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the cancellation or non-renewal.

Additional insured

The company will also, as though a separate policy had been issued to each, indemnify:

- (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 employee of the Insured (if the Insured so requests) against any claim for which the Insured is entitled to indemnity under this insurance;

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- (c) to the extent required by the conditions of any contract (and notwithstanding Specific exception 5), and in connection with any liability arising from the performance of the contract, any employer named in any contract entered into by the Insured for the purposes of the business;
 - (d) in respect of the activities of any social or sports club, welfare organisation, first aid, fire or ambulance service, canteen or the like, belonging to or formed by the Insured for the benefit of their employees:
 - i. any officer or member thereof;
 - ii. any visiting sports team or member thereof, provided that:
1. the aggregate liability of the company is not increased beyond the limits of indemnity stated in the schedule;
 2. any person or organisation to which this extension applies is not entitled to indemnity under any other policy;
 3. the indemnity under (a), (b) and (c) applies only in respect of liability for which the Insured would have been entitled to indemnity if the claim had been made against the Insured.

For the purposes of this extension, the company waives all rights of subrogation or action which 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, exceptions and conditions (both general and specific) of this insurance in so far as they can apply.

Tool of trade

Specific exception 3(b) shall not apply to the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto, provided that the company shall not be liable hereunder in respect of so much of any liability as falls within the scope of any form of motor insurance or compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected, nor shall the company be liable where any other form of motor insurance has been effected by the Insured covering the same liability.

Employees' and visitors' property

Specific exception 2(a)(ii) shall not apply to property belonging to any partner, director or employee of the Insured or any visitor to the Insured's premises.

Unattached trailers

Specific exception 3(b) shall, as far as it relates to trailers, not apply in respect of any trailer that was attached to any mechanically propelled vehicle that became unintentionally detached from that vehicle, provided that the company shall not be liable hereunder in respect of so much of any liability:

- (a) which is insured by or would, but for the existence of this section, be insured by any other policy or policies effected by the Insured;
- (b) as falls within the scope of any compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected.

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.

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.

Tenant's liability

Specific exceptions 2(a)(ii) and 3(b) of this section shall not apply to premises occupied by the Insured as tenant (but not as the owner) thereof.

Gratuitous advice

Notwithstanding anything to the contrary contained in specific exception 3(a) the Company will indemnify the Insured in respect of Defined Events caused by the unintentional failure of the Insured to perform the legal duty to exercise due care owed to another person or party in providing technical information or advice to such person or party provided that this section does not cover liability:

- i arising out of the insolvency of the Insured;
- ii arising out of financial services and/or cost estimates provided by or on behalf of the Insured;

- iii arising out of defamation;
- iv arising out of design, formula, supervision, treatment or advice given by or on behalf of the Insured in exchange for a fee or benefit of some kind;
- v arising out of technical information or advice given in connection with a Product unless the extension for Products Liability is included in the schedule.

If at the time of any event giving rise to a claim under this extension, indemnity is also provided under any other insurance, this extension shall not be drawn into contribution with such other insurance except in respect of any amount for which the Insured is liable over and above the cover provided by such other insurance subject at all times to the limit of indemnity.

Acquisitions and new businesses

The indemnity granted by this section of the policy extends to any company formed or acquired by the Insured during the period of insurance for a period of 90 days of such formation or acquisition, provided always that:

- (a) the retroactive date in respect of such new company shall be deemed to be the date when a newly formed or acquired company first purchased liability insurance of the type hereby insured on a "Claims Made" basis, subject to a declaration from the newly acquired company's previous management of no known or reported claims or circumstances likely to give rise to a claim at the date of acquisition. In the absence of such a declaration, the retroactive date shall be the date of such acquisition;
- (b) the Insured's business activities remain unchanged
- (c) the annual turnover of all newly formed or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the Insured as advised to the insurance company at inception hereof;
- (d) the Insured shall advise the insurance company of such formations or acquisitions before the expiry of 90 days thereof and the insurance company may amend the terms of this section of the policy accordingly.

Wrongful arrest and defamation (if stated in the schedule to be included)

The defined events are extended to include damages:

- (a) resulting from wrongful arrest (including assault in connection with such wrongful arrest);
- (b) in respect of defamation,

provided always that the limits of indemnity as stated shall not exceed R250 000 under each of (a) and (b) in anyone (annual) period of insurance.

Products liability (if stated in the schedule to be included)

Notwithstanding anything to the contrary contained in specific exception 3(d), the company will indemnify the Insured in respect of defined events happening anywhere in the territories stated in the schedule elsewhere than at premises occupied by the Insured, and caused by any Product sold or supplied (including wrongful delivery and delivery of incorrect goods) by the Insured in connection with the nature of business.

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 anyone event or series of events with one original cause or source or during anyone (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

Additional specific exceptions (applicable to products liability extension)

This extension does not cover liability

1. for the cost of repair, alteration, recall, reconditioning or replacement of the Product or part thereof causing injury or damage. For the purposes of this additional specific exception the term "replacement" shall be deemed to include any credit or refund granted or alternative Product provided by or on behalf of the Insured in lieu of replacement of the defective Product
2. for the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the Products and any other property essential to such repair, alteration or replacement unless physically damaged by the Product
3. arising from the failure of any Product or any part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed but this exception shall not apply to consequent Injury or Damage

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4. arising from Products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft
 5. in respect of injury or damage happening in the United States of America or Canada caused by or through or in connection with any Products sold or supplied by or to the order of the Insured, if such Products have, to the Insured's knowledge, been exported to the United States of America or Canada by or on behalf of the Insured.
 6. for any defect in any Product or any part thereof of which the Insured was aware prior to the inception of this extension.