



The only thatch insurance specialists

Body Corporate and Share Block Policy



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GENERAL EXCEPTIONS PROVISIONS & CONDITIONS

Insuring Clause

Subject to the terms, exceptions **and** conditions (*precedent or otherwise*) and in consideration of and conditional upon, the prior payment of the premium by or on behalf of the insured and receipt thereof by or on behalf of **Compass Insurance Limited** (the Company), **the Company** agrees to indemnify or compensate the insured by payment or, at the option of the Company, by replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance and as otherwise provided under the within sections up to the sums insured, limits of indemnity or compensation and other amounts specified.

Specific exceptions, conditions and provisions shall override general exceptions, conditions and provisions.

GENERAL EXCEPTIONS

1 War, riot and terrorism

- (A) This policy does not cover loss of or damage to property related to or caused by:
- (i) civil commotion, labour disturbances, riot, strike, lockout or public disorder or act or activity which is calculated or directed to bring any of the a foregoing;
 - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - (iii) (a) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege:
(b) insurrection, rebellion or revolution;
 - (iv) any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;
 - (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof;
 - (vi) Any attempt to perform any act referred to in clause (iv) or (v) above;
 - (vii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause A (i), (ii), (iii), (iv), (v) or (vi) above.

If the company alleges that, by reason of clause A (i), (ii), (iii), (iv), (v) or (vi) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

- (B) This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.
- (C) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of the General exception 1(C) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

If the company alleges that, by reason of clause 1(C) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

2 Nuclear

Except as regards the Fidelity, Stated Benefits and Group Personal Accident sections, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:

- (i) ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- (ii) nuclear material, nuclear fission or fusion, nuclear radiation;
- (iii) nuclear explosives or any nuclear weapon;
- (iv) nuclear waste in whatever form;

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.

3 Computer losses

General exception applicable to all sections of this policy insuring damage to property or the consequences of damage to property or any liability.

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

- a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising there from;
- b) any legal liability of whatsoever nature;
- c) any consequential loss;

directly or indirectly caused by or contributed to by or consisting of or arising from the incapacity of failure of any computer, correctly or at all

- i) to treat any date as the correct date or true calendar date, or correctly or appropriately to recognise, manipulate, interpret, process, store, receive or to respond to any data or information, or to carry out any command or instruction, in regard to or in connection with any such date, or
- ii) to capture, save, retain or to process any information or code as a result of the operation of any command which has been programmed into any computer, being a command which causes the loss of data or the inability to capture, save, retain or correctly to process such data in regard to or in connection with any such date, or
- iii) to capture, save, retain or to process any information or code due to programme errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programmes, or
- iv) to capture, save, retain or to process any data as a result of the action of any computer virus, or other harmful or otherwise unauthorised code or instruction including a Trojan horse, time or logic bomb or worm or any other destructive or disruptive code, media or programme or interference.

A computer includes any computer, data processing equipment, microchip, integrated circuit or similar device in computer or non-computer equipment or any computer software, tools, operating system or any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above, whether the property of the Insured or not.

Special Extension To General Exception 3

- A) Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the Glass, Employer's Liability, Stated Benefits, Group Personal Accident or Motor section is not excluded by this General Exception.

The special perils that are not excluded for the purpose of this special extension are damage caused by:

- 1 storm, wind, water, hail or snow excluding damage to property
 - a) arising from its undergoing any process necessarily involving the use or application of water;
 - b) caused by tidal wave originating from earthquake or volcanic eruption;
 - c) in the underground workings of any mine
 - d) in the open (other than buildings structures and plant designed to unless so described and exist or operate the open); unless so described and specifically insured as a separate item
 - e) in any structure not completely roofed; a separate item
 - f) being retaining walls;
- 2 aircraft and other aerial devices or articles dropped there from;

- 3 impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.

These special perils do not cover wear and tear or gradual deterioration.

- B) General exception 3 also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in Special extension A above.
- C) This Special extension will not insure any loss destruction, damage or consequential loss if it would not have been insured in the absence of this Computer Losses General exception and this Special extension.
- D) This Special extension shall not apply to any Public Liability indemnity.

4 Consequential Loss or Damage

This policy does not cover loss, damage or liability directly or indirectly caused by or related to or in consequence of consequential loss of any description, or delay.

5 General Exclusions

This policy does not cover loss, damage or liability directly or indirectly caused by or related to or in consequence of earthquake, whether caused by mining operations or otherwise, subterranean fire, volcanic eruption or other convulsion of nature, subsidence or landslip unless otherwise stated in a section.

6 Asbestos exclusion

[applicable to the Public Liability and Employers Liability sections and Subsection D (Liability) of the Buildings Combined Section]

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override general exception, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

7 Territorial Limits

This policy does not cover loss, damage or liability directly or indirectly caused by or related to or in consequence of an insured event occurring elsewhere than Africa south of latitude 15° south excluding Angola, Mozambique and Zambia unless otherwise stated in a section.

GENERAL PROVISIONS

Subject to the provisions of Section 55 of the Short Term Insurance Act No 53 of 1998 (as amended).

1 CLAIMS PREPARATION COSTS

The insurance by each section of this policy is extended to include costs reasonably incurred by the Insured producing and certifying any particulars or details required in terms of general condition 3 (*claims*) or to substantiate the amount of any claim, up to R10 000 in respect of any particular section.

2 FIRST AMOUNT PAYABLE / EXCESS

The insured is responsible for the first amount payable/ excess under each section of the policy as noted in the schedule or wording, however we will only apply the highest first amount payable per section in the event of a claim where more than one first amount payable applies. This does not apply to:

- (i) Any voluntary excess selected by the insured for which he is receiving a discount in premium
- (ii) Any compulsory first amount payable which has specifically been imposed on an item or section by Insurers.

3 PAYMENTS ON ACCOUNT

Payment on account may be made to the Insured at the discretion of the Company if the payment of the amount recoverable from the Company is delayed pending finalization of a claim.

4 PERIOD OF INSURANCE

Where the expression "twelve consecutive months of insurance (*calculated from the inception of this policy*)" appears in a section it shall be interpreted literally, except where the first or a subsequent period of insurance is for a shorter or longer period than the normal frequency of premium payment to comply with the requirements of the Insured, in which case such shorter or longer period shall be interpreted as being the same duration as the normal frequency for the purposes of the said expression.

5 COLLECTIVE POLICIES

Where more than one Insurance Company or Insurer is stated in the schedule as participating in this insurance the word 'Insurers' is deemed to be substituted for 'Company' wherever it appears in the policy except in the conditions where "the Company" shall mean the leading office on behalf of the Insurers.

The participation of each insurer shall be for the percentage set against its name in the schedule and the liability of each individually shall be limited to that percentage.

In such case this policy becomes a collective insurance.

6 LIMITATION OF LOSS

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.

7 INTERPRETATION

The proposal for insurance, policy wording, policy schedule and all amendments and endorsements must be read as one document and any word or expression given a specific meaning shall have such meaning wherever it appears.

8 PREMIUM PAYMENT

The Company shall not be obliged to accept premium tendered to it after inception date or renewal date as the case may be but may do so upon such terms as it, at its sole discretion, may determine.

9 RIOT AND STRIKE

Notwithstanding general exception 1 insured event includes loss or damage directly occasioned by or through or in consequence of

- (i) civil commotion, labour disturbances, riot, strike or lockout;
- (ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above;

Provided that the Company shall not be liable for

- (a) loss or damage occurring in the Republic of South Africa or Namibia;
- (b) consequential or indirect loss or damage of any kind or description whatsoever;
- (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(ii); (iii); (iv); (v) or (vi) or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that by reason of provisos (a), (b), (c), (d) or (e) loss or damage is not covered by this section the burden of proving the contrary shall rest on the Insured.

The Company's liability shall not exceed R50 000 or the amount stated in the schedule, whichever is the higher in respect of any one event.

GENERAL CONDITIONS

Subject to the provisions of Section 55 of the Short Term Insurance Act No 53 of 1998 (as amended).

1 DEFINITIONS

INSURED	The body corporate or sectional title in whose name this policy is issued inclusive of the Trustees as appointed and the owners of all units forming part of the body corporate or sectional title.
PERIOD OF INSURANCE	The period for which the Company has received and accepted premium commencing with the effective date stated in the Schedule.
ACT	The Sectional Titles Act No.95 of 1986 (as amended).
BUSINESS	The duties of a Body Corporate in terms of the Act and the registered rules agreed by them and approved by the Company.
BODY CORPORATE	The controlling body of the building described in the schedule.
OWNER	Includes the owner's spouse and children normally resident with him.
SCHEME	The Sectional Titles development scheme.
SECTION	A section shown as such on the sectional plan bearing the number stated in the schedule.
COMMON PROPERTY	That part of the property insured which does not form a part of a section and described on the sectional plan stated in the schedule.

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

PARTICIPATION QUOTA IN THE COMMON PROPERTY

The participation quota of a section or of the owner of a section shall be a decimal fraction correct to three places arrived at by dividing the floor area correct to the nearest square meter of the section by the floor area correct to the nearest square meter of all the sections in the building or buildings comprised in the scheme.

2 GENERAL

All benefit under this policy shall be forfeited if:

- (a) *non-disclosure*
there is a misrepresentation, mis-description or non-disclosure of any material fact particular at any time, whether applying for insurance cover or subsequent to the inception of cover
- (b) *insurable interest*
the Insured's interest ceases except by will or operation of law unless such alteration has been accepted by the Company
- (c) *increase in risk*
the risk of accident, loss, damage or liability is increased other than in circumstances for which provision is made
- (d) *breach of warranty*
the Insured breaches any warranty.

3 PREVENTION OF LOSS

The Insured **or any person authorized by the Insured** shall take all reasonable precautions for the maintenance and safety of insured property and for the prevention of accidents or losses.

4 CLAIMS

- (a) On the **happening of any** event which may give rise to a claim under this policy, the Insured shall, as soon as practicable, and at his own expense (*except as otherwise provided herein*)
 - (i) notify the Company and give details of any other insurance covering the same event
 - (ii) inform the police of any claim involving theft or loss of property and take all practical steps to discover the guilty party and recover the stolen or lost property
 - (iii) co-operate with the Company or its nominee in minimizing the resultant loss, damage, injury or liability
 - (iv) supply full details of the event in writing supported by such proofs, information and sworn declarations as the Company requires
 - (v) forward any notice of claim communication, writ, summons or other legal process connected with the event to the Company.
- (b) A claim (*other than under the fidelity section or the assault memoranda under **the money section***) shall not be payable if
 - (i) the Insured makes any admissions, statement, offer, payment or indemnity without the prior written consent of the Company
 - (ii) twenty four months (*or such other period as is provided in a section*) has elapsed since the occurrence of the insured event (*or in respect of a business interruption section, thirty days has elapsed since the expiry of the indemnity period*) unless the claim is the subject of the Insured's legal liability to third parties or pending legal action
 - (iii) it is rejected or a dispute arises in respect of the claim or the quantum thereof and if the insured :
 - a) has not made representations to the Company within Ninety (90) days after the date of receipt of the notice of rejection or dispute, and
 - b) legal action is not commenced within twelve (12) months following the ninety (90) days as noted in (B) (iii) a above.

5 THE COMPANY'S RIGHTS

On the occurrence of an insured event the Company or its nominee may without incurring any liability or in any way diminishing its rights

- (a) take, enter or keep possession of any damaged insured property and deal with it in any reasonable manner but this condition does not grant the Insured licence to abandon any property to the Company whether already in its possession or not
- (b) take legal action in the name of the Insured in respect of any recovery of or contribution to a claim
- (c) take over and conduct in the name of the Insured the defence and settlement of any claim
- (d) discharge its obligations at any time under any section or sub-section providing indemnity for liability to third parties by paying to the Insured the limit of liability of such lesser sum for which the claim can be settled which shall be inclusive of legal fees and other expenses agreed by the Company and incurred prior to the date of payment.

6 OTHER INSURANCES

The Company shall not be liable

- (a) to indemnify the Insured for any insured property which is or would, but for the existence of this policy, be insured or be insurable by a marine insurance policy except in respect of any excess beyond the amount that would have been recoverable under such marine insurance policy
- (b) (i) to contribute more than its rateable proportion where there is another policy in force covering partially or fully an insured event also insured by this policy and
(ii) when such policy contains any provision excluding it from ranking concurrently with or contributing rateably to this policy for more than such proportion of the loss or damage as the sum insured hereby bears to the value of the insured property.

If such other policy is subject to a condition of average this policy if not already subject to such condition shall also be subject to average.

7 CANCELLATION

This policy or any section thereof may be cancelled by the Insured giving immediate notice or the Company giving thirty days notice in writing to the Insured.

Subject to general condition 7 – a pro-rata return of premium calculated from the expiry of the period of notice to the expiry of the then current period of insurance will be allowed.

8 ADJUSTMENT OF PREMIUM

When the premium for any section or any part thereof is subject to adjustment on declaration, such adjustment shall be made at the expiry of each twelve consecutive months of insurance (*calculated from the inception of this policy*) and the insured shall at all times keep adequate records of the particulars relative to the declaration required and shall make such records available to the Company at the intervals provided for in the section or on request.

9 REINSTATEMENT OF SUM INSURED

(Not applicable to stock insured on declaration basis or to any section in which it is stated not to be applicable)

In consideration of the sum insured in a section not being reduced where appropriate by the amount of any valid claim, the insured shall (if required) pay a pro-rata premium calculated on the amount of the valid claim from the date of reinstatement or replacement (whichever is the later) to the expiry of the period of insurance.

10 FRAUD

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this policy or if any loss, damage or liability be occasioned by the willful act or with the connivance of the Insured, all benefit under this policy in respect of such claim shall be forfeited.

11 JURISDICTION

This policy is subject to the laws of the Republic of South Africa whose courts shall have the sole jurisdiction to the exclusion of the courts of any other country.

Where payment is to be made to or by the Company it shall be made in the currency of the Republic of South Africa at the Company's head office unless the Company allows otherwise.

12 LONG TERM AGREEMENT

When a section is stated to be subject to a long term agreement the following shall apply:

In consideration of the Company allowing a discount off the premium for the section which is included in the premium, the Insured agrees to continue this section or the appropriate section of any substituted policy for the unexpired portion of the period originally agreed, it being understood that the sum insured may be reduced at any time to correspond with a reduction in value.

General condition 7 is replaced by the following

7 Cancellation

This policy or any section thereof may be cancelled by the Company giving thirty days notice in writing to the Insured.

Subject to general condition 7, a pro-rata return of premium from the expiry of the period of notice to the expiry of the then current period of insurance will be allowed."

13 MONTHLY, QUARTERLY AND HALF-YEARLY POLICIES

When the premiums are stated to be payable "monthly", "quarterly" or "half yearly", they must be received by the Company within thirty days from the commencement of the period of insurance to which they relate, failing which the policy shall be deemed to be cancelled (notwithstanding general condition 7) from the expiry of the preceding period of insurance unless the Insured can show that failure to make payment was an error on the part of his bankers or other paying agent.

14 SECURITY FIRMS

The Company agrees not to exercise their rights of recourse against a security firm whose employee causes loss or damage if the said security firm is employed by the Insured under a contract in terms of which the Insured may not claim against the security firm.

15 HOLDING COVERED

The Company will not reject a claim on which they are holding covered due to the premium not having been agreed.

16 SCHEDULE SUMS INSURED BLANK

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

- a. left blank or has no monetary amount stipulated against it
- b. reflected as nil or not applicable or not covered or no indemnity extended

the defined event or circumstance shown in the schedule is not insured by the policy.

17 AVERAGE (*APPLICABLE TO PARTS 1 AND 2 ONLY*)

If at the time of any loss or damage the sum insured is less than the amount which would be required to reinstate the property insured as new then the Company shall only be liable for that proportion of the loss which the sum insured bears to the new replacement value.

18 INTERPRETATION

This policy and schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this policy or of the schedule shall bear such meaning wherever it may appear.

19 NATIONAL BUILDING REGULATIONS / STATUTORY REQUIREMENTS

You must comply with all statutory obligations, laws and bylaws, regulations, safety requirements and statutes and regulations thereto imposed for the safety of property or persons.



PART 1 – BUILDINGS

INSURED EVENT

The Company will at its option repair, replace or pay for loss of or damage to the insured property by an insured peril.

DEFINITIONS

1 Insured Perils

- 1.1 Fire, lighting, thunderbolt, subterranean fire or explosion;
- 1.2 Malicious damage;
- 1.3 Storm, wind, water, hail, snow, tempest or flood;
- 1.4 Earthquake;
- 1.5 Bursting or overflowing of water tanks, apparatus or pipes including damage to such tanks apparatus or pipes or leakage of oil from any, fixed oil-fired heating installation;
- 1.6 Theft or attempt thereat;
- 1.7 Impact with the building by animals or any road or rail vehicle or articles dropped therefrom or by falling trees or parts thereof;
- 1.8 Aircraft and other aerial devices or articles dropped therefrom;
- 1.9 Breakage or collapse of radio or television aerials or masts;
- 1.10 Accidental damage (for which the Insured is legally liable) to public supply connections between the insured property and the public supply mains.

2 Property Insured

The building of the units and all improvements forming part of the scheme (buildings) including all ancillary structures such as garages, outbuildings, walls, fences, courts, swimming pools and includes gates, paved driveways and patios, and the fixtures and fittings which would normally be sold with.

3 Additional Fees and Costs

All expenses necessarily incurred in connection with a claim:

- (a) costs necessarily incurred by the Insured in demolishing buildings and removing debris from the site of such property destroyed or damaged and the area immediately adjacent to the site but excluding costs and expenses arising from pollution or contamination of property not insured by this policy and in providing, erecting and maintaining any street or pavement, hoarding required during demolition site clearance and building operations;
- (b) architects, surveyors and consulting engineers fees necessarily and actually incurred in the reinstatement or replacement of the insured building (*but not including expenses incurred in connection with the preparation of the Insured's claim*);
- (c) the additional cost of reinstatement of the building necessarily incurred to comply with statutory building regulations or municipal or local authority regulations or bye-laws.

4 Malicious Damage

The deliberate wilful or wanton act of any person committed with the intention of causing such loss or damage, excluding loss or damage to the property insured which is:

- (a) stolen;
- (b) damaged in an attempt to remove it from the premises;
- (c) damaged by thieves whilst breaking into or out of or attempting to break into or out of any property provided that this insurance 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 occasioned by permanent or temporary dispossession resulting from confiscation or requisition by any lawfully constituted authority;
 - (iv) loss or damage related to or caused by any occurrence referred to in general exception 1A (i), (ii), (iii), (iv), (v), (vi) and (vii) or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company allege that by reason of (a) (b) (c) (i) (ii) or (iii) loss or damage is not covered the burden of proving the contrary shall rest on the Insured.

CONDITIONS

1 Basis of Indemnity

The sum insured must be equivalent to the estimated rebuilding cost of the Building with new materials and include an allowance for **additional fees and costs**. The Company will pay for a single claim or series of claims, arising from a single occurrence, up to the insured amount of the building. Claims will be settled on the basis of the cost of replacement or repair with new materials without deduction for betterment.

The Insured may request settlement on a cash basis in which event the Company's obligation will not exceed the market value of the damage of that portion of the Building which is the subject of the claim. If alterations or extensions to the Building are undertaken which will increase its replacement value, it is important that you advise the Company as soon as the alterations or extensions are completed, so that the sum insured of the Building can be suitably increased.

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.

2 Average

Should the rebuilding cost of the Building with new materials, inclusive an allowance for **additional fees and costs**, be more than the amount for which it is insured at the time of the loss or damage, the Insured will be considered as his/her own insurer for the difference and he/she shall bear a proportional share of the loss or damage accordingly. This condition applies separately to each item in the schedule.

3 Mortgagee

The insurance as regards the interest of the mortgagee will not be invalidated by an act or omission of the body corporate or any owner of a unit if such act or omission occurs without the knowledge of the mortgagee.

If it is resolved or ordered that units which have either been destroyed or damaged will not be reinstated the proceeds of the claim shall first be payable to the mortgagees of such units up to the sum allocated thereto or the aggregate of the amount due by the owners of such units to the mortgagees under the relative mortgage bonds, whichever is the less and the balance paid to the body corporate.

If a claim is subject to average in terms of general condition 4 the interest of a mortgagee in a unit which is insured for the amount required to reinstate such unit as new shall not be prejudiced by the application of average.

In calculating the amount required for reinstatement it shall be assumed that damage to all other units shall have been reinstated.

The Company will neither cancel this insurance nor allow it to terminate without giving 30 days notice in writing to the mortgagees if their interest is known to the Company.

4 Tenants

This part will not be invalidated by any act or omission on the part of a tenant provided that the body corporate or owner notifies the Company as soon as such act or omission comes to their knowledge and pay on demand the appropriate additional premium.

5 Owners

This part will not be invalidated by the act or omission of any owner of a unit except

- (a) if the act or omission was committed by all the owners in concert;
- (b) in respect of damage to a section belonging to the owner whose act or omission caused the damage.

Notwithstanding this exception, the interest of the body corporate shall not be invalidated by any such act or omission of which they were not aware.

6. Veldfire Excess

The first amount payable (excess) in the event of a veldfire claim, will be 2.5% of the claim per event.

7. Unoccupancy Excess (If stated to be included on the policy schedule)

The first amount payable (excess) in the event of a claim occurring whilst the premises is unoccupied will be 10% of claim with a minimum of R 5 000.00 and a maximum of R 100 000 per event.

SPECIFIC EXCEPTIONS TO COVER

This section does not cover:

- 1 Loss or damage caused by
 - (i) storm, wind, water, hail, snow, tempest or flood to hedges and retaining walls;
 - (ii) earthquake to property in the underground workings of any mine;
 - (iii) theft or attempt thereat:
 - a) from a vacant section or when the whole of the property insured is vacant;
 - b) by any tenant or sub-tenant (or by family or servants of such tenant or sub-tenant);
 - (iv) vermin, insects, termites, scratching, denting, chipping, de-facing, damp or the process of cleaning, dyeing and bleaching;
 - (v) scratching, biting, chewing, tearing or soiling by domestic pets;

- (vi) roots or weeds to underground pipes, tennis courts or driveways;
- (vii) gradually operating causes such as, but not restricted to wear and tear, rust, mildew, corrosion, damp, wet or dry rot;
- (viii) cracking of the Building;
- (ix) subsidence and landslip unless stated to be covered in the schedule;
- (x) altering, repairing, restoring or renovation, unroofed or partially roofed buildings including cover for building materials, fixtures, fittings and improvements which you own or for which you are responsible.

EXTENSIONS TO COVER

A In addition the Company will pay:

1 Breakage of Glass and Sanitary ware

In the event of accidental breakage in the building of

- (a) fixed glass, windows, doors, fanlights, starlights, verandahs;
- (b) fixed sanitary ware and bathroom fittings (*but excluding chipping, scratching and other disfigurements*) the Company will pay to the Insured the value of the property destroyed or damaged or at their option repair or replace such property.

2 Loss of Rent

If an insured premises becomes uninhabitable as a result of destruction or damage caused by an insured event the Company will for the period necessary for reinstatement indemnify the Insured up to an amount of 25% of the sum insured on the unit, for:

- (i) loss of rent receivable from tenants calculated on the basis of the annual rent for an unfurnished section/unit or;
- (ii) the reasonable cost of alternative accommodation less any amount covered by the insured's household contents policy. Cover will be subject to the premises being the main residence which is permanently occupied by the insured and exclude premises being used as a holiday house.
- (iii) levies which become payable in the event of the insured premises becoming uninhabitable due to an insured event.

3 Mechanical or electrical breakdown or derangement

Up to R 3000 with no first amount payable applicable. or the higher sum insured less the first amount payable stated in the schedule, for Mechanical or electrical breakdown or derangement for swimming pool pumps, borehole pumps, jacuzzi machinery, electrical doors or gates.

4 Fire Brigade and Ambulance Charges

In addition the Company will pay charges levied by an authorized body for fire brigade and ambulance charges in connection with an Insured peril.

5 Automatic Reinstatement

The sum insured will not reduce should a partial loss occur and repairs be done during the currency of this policy and the Insured agrees to pay the full premium on the policy while repairs are being finalised. This clause shall not apply if the property insured is a constructive total loss.

6 Watchmen

Up to R10 000 for costs reasonably incurred in employing watchmen following an insured event given rise to a valid claim.

7. Power Surge cover

Power surge cover is included under the Buildings Combined section for R 50 000 at no additional premium.

B Optional (if stated to be included in the schedule)

1 Subsidence and Landslip

It is hereby declared and agreed that Subsidence and Landslip cover is included in terms of this section of the policy if stated in the schedule to apply. Notwithstanding general exception 5 the insured event includes loss or damage to the insured property due to subsidence or landslip provided the Company shall not be liable for

- (i) loss or damage to drains, water courses, boundary, garden, dam or retaining walls, gates, posts, or fences
- (ii) loss or damage due to faulty design or construction or the removal or weakening of support to any insured building.
- (iii) loss or damage caused by workmen engaging in making structural alterations additions or repairs to the insured building.
- (iv) loss or damage due to excavations on or under land except in the course of mining operations
- (v) the first amount payable of 10% of any loss or damage calculated with a minimum of R 10 000 and R1 000 in any action suit or other proceedings

Where the Company alleges that by reason of these provisions loss or damage is not covered by this memorandum the burden of proving the contrary shall rest on the Insured. Each item insured shall be separately subject to this condition.

2 Escalation

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

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

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

3 Damage to Buildings by Wild Animals

It is hereby declared and agreed that loss of or damage to the insured property caused by the acts of wild animals is included up to a limit of R250,000 in terms of this section of the policy if stated in the schedule to apply.

We will not be liable for:

- (a) *the first amount payable as stated in the schedule in respect of each and every event;*
- (b) *the cost of installing wire mesh if the roof was not completely covered by wire mesh at the time of the loss occurring.*



PART 2 – MACHINERY BREAKDOWN

INDEMNITY

In the event of sudden and unforeseen physical damage to the machinery the Company will by payment or at their option by reinstatement or repair indemnify the Insured.

DEFINITION OF MACHINERY

Machinery consists of lift, motor room equipment comprising of motors, motor generating sets, gearboxes, braking equipment, drums and all associated shafting and controlling switchgear, boilers, airconditioning and standby diesel generator sets, all being common property and situate at the premises described in the schedule.

BASIS OF SETTLEMENT

1 Partial Loss

If the Company elects 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 damaged parts which can be re-used;
- (b) the cost of alterations, additions, improvements and overhauls carried out at the time of a repair.

2 Total Loss

If an insured item is totally destroyed the basis of settlement shall be

- (a) the new replacement value immediately before the accident plus the cost of removing the damaged machinery;

less

- (b) a reasonable allowance for use and the value of the remains.

Regard as Total Loss

An insured item shall be regarded as totally destroyed, if the cost of repairs equals or exceeds the new replacement value immediately before the accident less a reasonable amount for use.

LIMITATION

If the damage is restricted to a part or parts of an insured item the Company will 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.

FIRST AMOUNT PAYABLE

The Insured is responsible for the first amount payable as indicated in the schedule of any expenditure for which provision is made by this part.

SPECIAL EXCEPTIONS

The Company will not pay for:

- (a) **Maintenance control**
Any loss or damage to lift machinery which is not subject to a regular maintenance contract with the makers, their agents or other accredited lift contractors;
- (b) **Theft**
Loss or damage resulting from theft or attempted theft;
- (c) **Other cover**
Loss for which cover is provided by another part of this policy;
- (d) **Collapse subsidence**
Damage caused by the collapse of buildings or any movement of the land supporting the buildings;
- (e) **Overload, repair etc**
Damage resulting from experiments, overload or similar tests requiring the imposition of abnormal conditions or from the execution of repairs;
- (f) **Gradual deterioration**
Wastage by or naturally resulting from use, working or gradual deterioration;

(g) **Exchangeable parts**

Exchangeable parts, tools and parts not made of metal (*except the insulation of electrical conductors*).

SPECIAL CONDITIONS

(a) **Precautions**

The Insured and any person authorized by the insured shall take responsible precautions to ensure that the machinery is maintained in good working order and neither habitually nor intentionally overloaded and take reasonable steps to ensure that government and other regulations relating to the operation of the machinery are observed.

(b) **Alteration of risk**

Notice of any alteration to or departure from normal working conditions which would affect the risk of damage must be given to the insurers. The insurers may either approve such modification or cancel the insurance by this part and provided there has not been a claim during the current period of insurance refund a proportionate part of the premium paid.

(c) **Rights of insurers**

The Insured shall allow the insurers to examine the insured machinery at any reasonable time. If during the inspection by the insurers any new facts of a nature likely to increase the risk are observed, the Insured must at the request of the Company restore the risks to normal within the least possible time.

The Company may immediately on discovery of such a new fact give written notice to the Insured suspending cover under this part.

(d) **Sum insured**

The sum insured shall be the new replacement cost of the machinery.



PART 3 – PUBLIC LIABILITY

INDEMNITY TO INSURED

The insurers will indemnify the Insured for all sums which the Insured shall become legally liable to pay in the event of:

- (a) **Bodily Injury**
Accidental bodily injury to any person not being an employee.
- (b) **Property damage**
Accidental damage to property not being property belonging to or being in the custody and/or control of the Insured caused in the course of the business within the territorial limits.
- (c) **Legal costs**
The Company will pay legal costs and expenses
 - (i) recovered by any claimant from the Insured;
 - (ii) incurred with its written consent providing the indemnity does not exceed the limit of indemnity.

SPECIAL DEFINITIONS

- Injury** Includes death, illness or disease;
- Damage** Includes loss;
- Employee** Any person in the service of the Insured whilst employed in the course of the business.
- Limit of Indemnity** The amount payable for any one event or series of events with one original cause or source inclusive of legal costs recoverable from the Insured by a claimant and all other costs and expenses incurred with the Company's consent shall not exceed the sum stated in the schedule or R2 500 000 whichever the higher.

Memo
In the event of the Company being required to indemnify more than one person under this subsection the limit of liability shall apply in aggregate to all persons being indemnified and in priority to the Insured or in the event of his death to his legal personal representative.
- Insured** Includes any owner of a section or any trustee of the Insured whilst engaged in the business or an employee.

SPECIAL EXCEPTIONS

The Company will not pay for

- (a) **Contractual liability**
Any liability assumed by agreement but which would not have attached in the absence of that agreement.
- (b) **Property worked upon**
Damage to that part of any property upon which the Insured or anyone acting on the instructions of the Insured is or has been working if the damage arises from such work.
- (c) **Ships, aircraft and vehicles**
Injury or damage caused by any ship, craft, aircraft locomotive, trailer or mechanically propelled vehicle or cycle (*other than grass cutting equipment accompanied by a pedestrian operator*) which is owned by or is used by or on behalf of the Insured or is in the custody or control of the Insured.
- (d) **Goods sold**
Injury or damage caused by goods (*including containers*) sold or supplied by the Insured other than the supply of food and drink supplied incidentally for consumption on the premises.
- (e) **Weakening of support**
Damage to any property, land or building caused by vibration or the removal or weakening of support of such property, land or building.

- (f) **Design formulae professional advice etc**
Injury or damage arising from design, drawing, formulae, planning specification, professional advice or professional treatment (*other than first aid treatment*).
- (g) **Gradual damage or injury**
Injury or damage caused by or arising from
- (i) the gradual or regular emission of effluent and/or noxious substances
 - (ii) a gradually operating source, event or occurrence.
- (h) **Employees of sub-contractors**
Any liability to workmen of sub-contractors and or the dependants of such workmen under any law requiring compensation to be paid for injury to workmen.

SPECIAL CONDITIONS

1 Control of Claims

The Company shall be entitled to take over and conduct the defence or settlement of any claim at their discretion.

The Company may at any time pay the limit of liability (*after deduction of any sum or sums already paid*) or any less amount of which such claim or claims can be settled and shall then relinquish the conduct and control of and be under no further liability in respect thereof, except for the payment of costs and expenses incurred prior to the date of such payment.

EXTENSIONS

CROSS LIABILITIES

The Company will indemnify each member of the body corporate against liability arising out of the conduct of the business as though this part of the policy has been issued separately to each member excluding liability for fire and or explosion damage to the building as defined in the schedule.

EMPLOYEES LIABILITY (If stated to be included on the policy schedule)

INSURED EVENT

Death or bodily injury (*including illness*) to any employee occurring on or after the retroactive dated stated in the schedule arising from and in the course of such person's employment by the Insured in the business and in respect of which a claim or claims is first made against the Insured in writing during the period of insurance.

DEFINITION

EMPLOYEE shall mean any person while such person is:

- (a) by or apprenticed to the insured;
- (b) hired or seconded from another party to the Insured and whom he has the to control and or direct in the course of the business.

INDEMNITY

The amount payable for any one event or series of events with one original cause or source inclusive of legal costs recoverable from the Insured by a claimant and other costs and expenses incurred with the Company's consent which shall include Attorney's fees for the representation of the Insured at

- (a) any coroner's inquest or fatal injury arising from any death;
- (b) proceedings in any Court of summary jurisdiction arising out of any alleged breach of a statutory duty resulting in bodily injury shall not exceed the limit of indemnity stated in the schedule.

GENERALEXCEPTION

War Exclusions

General exception 1 is cancelled and replaced by

"War Invasion Act of Foreign Enemy Hostilities (whether war be declared or not) civil Warrant of Execution Against Property, mutiny, insurrection, rebellion, revolution, military or usurped power"

SPECIAL EXCEPTION

The Company shall not be liable for

- (a) liability assumed under agreement unless liability would have attached to the Insured notwithstanding such agreement;
- (b) illness, 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) compensation for damages and costs and expenses of litigation recovered by any claimant from the Insured 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;
- (e) any claim arising from an event known to the Insured
 - (i) which is not reported to the Company in terms of the special condition of this section;
 - (ii) prior to inception of this section.

SPECIAL EXTENSIONS

1 Indemnity to Other Parties

The "Insured" shall include

- (a) in the event of the death of the Insured his legal personal representative in respect of liability incurred by the Insured;
- (b) if requested by the Insured
 - (i) any principal under contract or agreement entered into by the Insured in connection with the business but only so far as is necessary in terms of such contract or agreement and excluding any liability due to or arising from any act, default or neglect of such principals, his servants or agents;
 - (ii) any principal, director, member, partners or employee of the insured;
 - (iii) any officer or member of the Insured's social, sports or welfare organization, first aid, fire or ambulance services;

In their respective capabilities and provided that such principal person

- (aa) is not entitled to indemnity under any other insurance,
- (ab) shall as though he were the Insured observe fulfil and be subject to the terms of this insurance insofar as they can apply,
- (ac) insured under (b) (i) or (ii) above is only indemnified hereunder to the extent that the Insured would have been indemnified had the claim been made against the Insured, where a principal is to be indemnified in terms of this special extension the Company will indemnify such principal insofar as he is liable to the employees for death or bodily injury (*including illness*) resulting from the negligence of the Insured or the Insured's employee provided that
 - (i) the Insured arranges with the principal for the conduct and control of all claims to be vested in the Company;
 - (ii) the principal shall as though he were the Insured fulfil and be subject to the terms, exceptions and conditions (*both general and specific*) of the policy insofar as they can apply;
 - (iii) the liability of the Company is not increased.

2

Extended Reporting Period

(This extension becomes available to the Insured if the Company cancels or refuses to renew this section and once exercised the option cannot be cancelled). In consideration of the payment of an additional and subject to the terms and conditions of the following provisos the period for the reporting extended by 36 months (hereinafter referred to as premium (to be agreed) memorandum and the of an insured event is the "discovery period").

- (i) The Insured must exercise the option in writing and within 30 days of cancellation or non-renewal.
- (ii) The Insured has not obtained other insurance equal in scope or cover to that being cancelled / not renewed.
- (iii) The Company shall only be liable for an insured event occurring on or after the retroactive date but prior to the commencement of the discovery period.
- (iv) Claims first made against the insured or reported during the discovery period shall be treated as if they had occurred on the last day of the period of insurance prior to the discovery period.

SPECIAL CONDITIONS

For this section general condition 3 — claims — is cancelled and replaced by:

1

Claims

- (a) On the occurrence of an event which may give rise to an immediate or a future claim under this policy the Insured shall as soon as practicable and at his own expense:
 - (i) notify the Company and give details of any other insurance covering the same event;
 - (ii) co-operate with the Company or its nominee in minimizing the resultant injury or liability;
 - (iii) supply full details of the event in writing supported by such proof information and sworn declarations as the Company requires;
 - (iv) forward any notice of claim communication, writ, Summons or other legal process connected with the event to the Company.
- (b) A claim shall not be payable if:
 - (i) the Insured makes any admission, statement, offer, promise, payment or indemnity without the prior written consent of the Company;
 - (ii) it is rejected and legal action is not commenced within twelve months of the rejection;
 - (iii) it is first reported to the Company more than fifteen days after this section is cancelled or not renewed;
 - (iv) when it is first made in writing against the Insured more than forty-eight months have elapsed since this section was current (*if the claimant is a minor, the period of forty-eight months is extended until the of twelve months after the attainment of majority by the claimant*).
- (c) The basis of the Company's liability for any one claim or series of claims with one original cause or source shall be:
 - (i) when this section is current the limit of indemnity current on the date of the insured event giving rise to the claim(s) or if that date cannot be established the limit of indemnity current on the date the event was first reported to the Company;
 - (ii) when the section has been cancelled or not renewed then the basis shall be the limit of indemnity current on the date of the insured event giving rise to the claim(s) or if that date cannot be established the limit of indemnity current on the last day of the period of insurance immediately prior to cancellation or non-renewal.

TRUSTEE(S) INDEMNITY

- 1 Notwithstanding anything to the contrary contained in this section, it is hereby declared and agreed that sub-section D Liability is extended to indemnify the insured in respect of any wrongful act by a Trustee.

Provided that:

- (i) the amount payable under this extension inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with the company's consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity of R100 000 or any other amount as stated on the policy schedule.

(ii) the insured shall be responsible for the first amount payable of R2 500 in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or original cause.

2 For the purpose of this insurance the term wrongful act" shall mean 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.

3 Additional specific exceptions. This extension does not cover liability for:

- (i) the payment of any VAT;
- (ii) any remuneration or other monies to which the Body Corporate or Trustees is/are legally entitled;
- (iii) any indemnity claimed or claimable in terms of any other insurance;
- (iv) any dishonest, fraudulent, malicious or illegal act or omission by a Trustee;
- (v) any criminal act or any act committed while in violation of any law or ordinance;
- (vi) services rendered while under the influence of intoxicants or narcotics.

SPREAD OF FIRE (If stated to be included on the policy schedule)

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 insurer's consent for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity stated on the policy schedule for this extension subject to an excess of 5% of the claim with a minimum of R 2500.00.

It is a condition of this extension that, at the happening of an occurrence that gives rise to a claim in terms of this extension, the insured complies with the regulations of the National Veld and Forest Fire Act No. 101 of 1998 (as amended).

COMMERCIAL UMBRELLA LIABILITY (If stated to be included on the policy schedule)

1. OPERATIVE CLAUSE

- 1.1 The Insured is indemnified up to the Indemnity Limit against the legally enforceable consequences of causing Injury, Damage or Malice or providing Negligent Advice (all as defined in Clause 2), in the course of carrying out the Business, but only in respect of resultant claims made by others for damages, costs, fees and expenses, and in accordance with the law and procedure anywhere in the world but not in respect of any judgement, award or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part).
- 1.2 All costs reasonably and necessarily incurred in defending or settling such claims will also be paid by the Insurers, as will costs of legal or similar representation at any inquest or other official enquiry into any incident which the Insurers agree might give rise to a valid claim under this Policy.

2. DEFINITIONS

For the purpose of this Policy, wherever they appear, the words or terms below shall be interpreted as follows:-

- 2.1 "Injury" is death, injury, illness (mental or physical), disease, assault, false imprisonment or arrest of or to any person.
- 2.2 "Damage" is loss of or damage to tangible property, conversion, trespass, nuisance or wrongful interference with the enjoyment of rights over tangible property.
- 2.3 "Malice" is malicious legal proceedings, malicious falsehood, defamation, unfair competition or infringement of copyright, title, slogan or idea.
- 2.4 "Negligent Advice" is incorrect or inadequate advice given in the promotion of the Insured's Products, but without expectation of any other reward.
- 2.5 The "Business" is defined in the Schedule, but also includes all organisations or functions operated for the benefit of the Insured's employees or visitors or for the protection or promotion of the Insured's activities.
- 2.6 "Product" is any article 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 by or on behalf of the Insured.

3. INDEMNITY LIMIT

The Insurers' total liability to pay compensation, damages and costs as detailed in Clause 1.2, during the period of this Policy will not exceed the amount shown in the Schedule:

- 3.1 in respect of the total of all claims arising out of or in connection with Products or Negligent Advice;
- 3.2 in respect of each and every other claim or series of claims arising out of one originating cause (subject always to Clause 5.7).

4. POLICY INTENTION

Within the limits of the Operative Clause this Policy provides indemnity in the following alternative circumstances:

4.1 EXCESS LAYER PROTECTION

where the claim is prima facie covered by the terms of any of the policies listed as Scheduled Underlying Insurances, then this Policy operates only to the extent that the claim is not met by such Underlying Insurance solely because of the inadequacy of the Underlying Indemnity Limit.

4.2 DIFFERENCE IN CONDITIONS PROTECTION

where the claim is within the scope of the operative clause of any Scheduled Underlying Insurance, then this Policy operates only when such claim is rejected by the Underlying Insurers because of a policy term, condition or exclusion.

4.3 ADDITIONAL RISKS PROTECTION

where the claim is outside the scope of the operative clause of any Scheduled Underlying Insurance, then this Policy operates within the limitations of its own Operative Clause.

This Clause 4 establishes the intention of this Policy, but does not modify, alter or extend the specific terms, Conditions and Exclusions of this Policy, which remain paramount.

5. EXCESS LAYER PROTECTION

- 5.1 In respect of any claim which forms the subject of indemnity by any Scheduled Underlying Insurance, this Policy is declared to be subject to the same terms, conditions and exclusions as such Underlying Insurance and the Insurers of this Policy agree to follow the decision of the Underlying Insurer in interpreting such terms, conditions and exclusions.
- 5.2 Any decision of the Underlying Insurer to accept a claim on an "ex gratia" or "without prejudice" basis shall not however be binding on the Insurers of this Policy.
- 5.3 No action or decision of the Underlying Insurer which prejudices the rights of the Insurers in the conduct or settlement of any claim under this Policy shall be binding on the Insurers.
- 5.4 This Clause provides indemnity in respect of claims which are primarily indemnified, during the period of this Policy, by a Scheduled Underlying Insurance:
 - 5.4.1 in excess of the Indemnity Limit stated to apply to the Scheduled Underlying Insurance, except where such limit has been reduced or exhausted by reason of claims, in which case this Policy pays in excess of the residual limit (if any).
 - 5.4.2 for those costs defined in Clause 1.2 provided these are not recoverable from the Scheduled Underlying Insurance. In the event of the wording of the Scheduled Underlying Insurance contradicting and thereby legally amending this provision, the Insurers' maximum liability under this sub-clause shall be the same proportion of incurred costs as the settled claim bears to the respective Indemnity Limit.
- 5.5 Where the Indemnity Limit of the Scheduled Underlying Insurance is exhausted by reason of a claim which is also indemnified by this Policy, the Insurers will continue to follow the original decision of the Underlying Insurer in respect of that claim in accordance with Clause 5.1.
- 5.6 Where the Indemnity Limit of the Scheduled Underlying Insurance is exhausted by previous claims and as a consequence this Policy operates as a primary policy, in respect of any claims which would otherwise have been indemnified by the Scheduled Underlying Insurance, the Insurers will interpret this Policy as if the Underlying Insurance had still been in force.
- 5.7 Where the Scheduled Underlying Insurance states that generally or in respect of specified claims the Indemnity Limit is the aggregate of all indemnifiable claims occurring or made during the Underlying period of insurance, then the Indemnity Limit under this Policy is declared to be on an identical basis as the Scheduled Underlying Insurance.

5.8 Where the insurers of a Scheduled Underlying Insurance decline to grant indemnity in respect of a claim on the grounds that either:

the loss did not occur
the event did not occur
or the claim was not made

during the policy period (as the case may be) and as a consequence such claim falls to be indemnified by a policy effected prior to the relevant Scheduled Underlying Insurance, then such prior policy shall be treated as if it was a Scheduled Underlying Insurance. For the purpose of this Clause 5.8, the indemnity limit of the prior policy shall be deemed to be not less than the Indemnity Limit as stated in respect of the relevant Scheduled Underlying Insurance without allowance for reduction or exhaustion of such limit. In all other respects the provisions of this Clause 5 will apply.

5.9 Where the Insured is indemnified against a claim by a policy not listed as a Scheduled Underlying Insurance (other than in circumstances described in 5.8 above) then the Insurers may at their sole option (which must be exercised within a reasonable time) deem such policy to be an Underlying Insurance, in which event the provisions of this Clause 5 will apply as far as possible.

6. DIFFERENCE IN CONDITIONS PROTECTION

6.1 Where a claim is indemnifiable by the operative clause of a Scheduled Underlying Insurance, but is then declared by the Underlying Insurer to be excluded by reason of a policy term, exclusion or condition, then this Policy will indemnify the Insured in accordance with this Policy's Operative Clause.

6.2 Where a claim is not excluded by the operative clause of a Scheduled Underlying Insurance which has however been exhausted by reason of other claims and where, in the opinion of the Insurers of this Policy such claim would have been excluded by the Underlying Insurance by reason of a term, exclusion or condition, then the provisions of this Clause 6 will apply.

6.3. The Insurers will follow the provisions of the operative clause of the appropriate Scheduled Underlying Insurance in determining the basis on which the Insured is indemnified by this Clause of the Policy, being either:-

6.3.1. in respect of Injury, Damage or Malice occurring or Negligent Advice given during the Period of this Policy (losses occurring), or

6.3.2. in respect of claims made against the Insured during the Period of this Policy following Injury, Damage, Malice or Negligent Advice (claims made).

6.4 Whilst the basis of cover will follow the provisions of the operative clause of the Scheduled Underlying Insurance as detailed in Clause 6.3, the interpretation of these provisions will be the decision of the Insurers and not the Underlying Insurers. If the Scheduled Underlying Insurance is on a claims made basis, then the Insurers of this Policy will deal with any claim arising out of an event or circumstance first notified by the Insured to the Insurers during the Period of this Policy as if the claim had been made during the Period of this Policy even if the Scheduled Underlying Insurance contains no similar provision.

6.5 If the Underlying Insurer repudiates a claim on the basis of an exclusion relating to the failure of a product to perform as specified, warranted or guaranteed, or to fulfil its intended purpose and such Underlying Insurance is on a losses occurring basis and the circumstances of the claim are such that the Insured or the Insurers cannot mutually agree when the loss occurred, then the Insurers of this Policy will deal with the claim on the basis that the loss occurred when the claimant first notified the Insured of a circumstance or an event which subsequently gave rise to an indemnifiable claim.

6.6 Generally, this Clause 6 does not provide indemnity where a claim is excluded by the wording of the operative clause of the Scheduled Underlying Insurance. There are, however, two specific exceptions to this rule, being where a claim is excluded by the Scheduled Underlying Insurance:-

6.6.1. solely on the grounds that the Injury or Damage was not accidental by nature, or did not arise out of an accident;

6.6.2. solely on the grounds that temporary loss of use of property or reduction in value of property did not constitute "damage" within the terms of the operative clause of the Scheduled Underlying Insurance. subject always to the provisions of Exclusions 11.5 and 11.9

7. ADDITIONAL RISKS PROTECTION

7.1 This Clause will indemnify the Insured in respect of any claim which is not the subject of indemnity by any other policy of insurance, is not indemnified (either in whole or in part) by Clauses 5 or 6 of this Policy and which forms the subject of indemnity by the Operative Clause.

7.2 The indemnity granted by this Clause 7 is limited to claims made against the Insured during the Period of this Policy, or

events or circumstances notified by the Insured to the Insurers during such Period which subsequently give rise to claims being made.

7.3 The Indemnity Limit of this Policy in respect of cover granted by this Clause 7 is limited to the aggregate of all claims made during the Period of this Policy, or events or circumstances notified by the Insured to the Insurers during such Period which subsequently give rise to claims being made.

7.4 No indemnity is provided by this Clause where the insurers of a Scheduled Underlying Insurance decline to grant indemnity in respect of a claim on the grounds that the Injury, Damage, Malice, Negligent Advice or event did not occur or the claim was not made, during the policy period (as the case may be).

8. INDEMNITY TO OTHERS

The indemnity granted shall extend at the Insured's option and subject to the Insurers' consent which consent shall not be unreasonably withheld; to:

8.1 directors, partners or employees of the Insured in that capacity or in their private capacity arising out of any temporary engagement (undertaken with the Insured's consent) of the Insured's employees;

8.2 any person or party to the extent that any contract entered into by the Insured requires that such indemnity is given;

8.3 the personal representatives of any person or party indemnified.

Provided always that all such persons or parties shall observe, fulfil and be subject to the terms, Exclusions and Conditions of this Policy.

9. CROSS LIABILITIES

The Insured and persons or parties indemnified by Clause 8 are separately indemnified in respect of claims made by one against the other, subject to the Insurers' total liability not exceeding the Indemnity Limit.

10. CLAUSE 6 & 7 EXCLUSIONS

No indemnity is granted by Clauses 6 and 7 in respect of liability for or arising out of:

10.1 AIRCRAFT OR WATERCRAFT

the ownership, hire purchase or leasing of any aircraft, watercraft or hovercraft (other than watercraft not exceeding 15,25 metres in length and then only whilst on inland waterways) by or on behalf of the Insured.

10.2 SHIP AND AVIATION REPAIRING

the repair, maintenance, refueling or defueling of any aircraft, watercraft or hovercraft undertaken by or on behalf of the Insured as a revenue producing activity.

10.3 DIRECTORS AND OFFICERS LIABILITY AND PROFESSIONAL INDEMNITY

acts, errors or omissions of the directors or officers of the Insured when acting in their capacity as such, or in the provision by the Insured of professional services which shall include advice given, any action taken or work done by the Insured when carrying on their functions in any capacity involving special skill or knowledge in their calling, or the failure to discharge any obligations pursuant thereto. This exclusion does not apply to the provision of Negligent Advice (as defined).

10.4 ENVIRONMENTAL IMPAIRMENT

Seepage, pollution or contamination being the natural consequence of the operation or existence of the Business.

10.5 PROPERTY

damage to property owned, leased or hired by or under hire purchase or on loan to the Insured or otherwise in the Insured's care, custody or control other than premises (or the contents thereof) temporarily occupied by the Insured for work therein, or other property temporarily in the Insured's possession for work thereon (but no indemnity is granted for damage to the property on which the Insured is working and which arises out of such work).

Exclusions 10.1 and 10.2 do not apply to liability for death, injury, illness or disease of or to employees of the Insured arising out of such employment, subject to Policy Exclusion 11.12

11. POLICY EXCLUSIONS

No indemnity is granted by this Policy against liability:-

11.1 PUNITIVE AND EXEMPLARY DAMAGES

to pay awards or damages of a punitive or exemplary nature.

11.2 POLLUTION

arising out of:-

11.2.1 seepage, pollution or contamination provided always that this Exclusion shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening;

11.2.2 the cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening.

Nothing herein shall be construed as extending this Insurance to indemnify the Insured for any liability which would not have been covered under this Insurance in the absence of this Exclusion 11.2.

11.3 RETROACTIVE DATE

for any Injury, Damage or Malice, or for the provision of Negligent Advice which occurs prior to the Retroactive Date which is applicable to the Underlying Insurances or as stated in the Schedule, whichever is the later.

For purposes of this Exclusion, where any Injury or Damage resulting from continuous or continual inhalation, ingestion, absorption or application of any substance or condition and where the Insured and the Insurers cannot mutually agree when the Injury or Damage occurred, then:-

11.3.1 Injury shall be deemed to have occurred when the claimant first obtained medical advice or treatment for the Injury, whether or not the Injury was correctly diagnosed at the time;

11.3.2 Damage shall be deemed to have occurred when the claimant first became aware of the existence of the Damage.

11.4 KNOWN EVENTS

arising out of any circumstance, matter or thing which the Insured may reasonably be expected to suppose may give rise to a claim against the Insured and known by the Insured to have occurred prior to the inception of this Policy.

11.5 DELIBERATE ACTS

arising out of any deliberate or intentional failure of the Insured's management to take reasonable precautions to prevent Injury, Damage or Malice occurring or Negligent Advice being given.

11.6 CRIMINAL OFFENCES

to pay any fine imposed or penalty incurred as a consequence of the commission of a criminal offence.

11.7 EMPLOYEE BENEFITS

for any benefits for which the Insured is liable under any relevant workmen's compensation, unemployment compensation or disability benefits law and/or similar law and/or scheme unless the Insured has assumed such liability (which would not otherwise have attached) by agreement with a third party.

11.8 MOTOR

which is the subject of statutory or similar legislation controlling the use of motor vehicles or trailers and in respect of which liability:

11.8.1 the Insured is compelled to effect insurance or otherwise to furnish security, or

11.8.2 the State or other Governmental Authority has accepted responsibility.

11.9 PRODUCT REPLACEMENT

for the costs necessary to repair, replace, recondition or modify any Product or part thereof and/or for the loss of use of any Product or part thereof.

- 11.10 PRODUCT RECALL
- arising out of the recall of any Product or part thereof.
- 11.11 PERFORMANCE GUARANTEES
- arising out of performance warranties or guarantees, or clauses stipulating liquidated damages or penalties, except to the extent that it is proved that such liability would have existed in the absence of any contractual provision.
- 11.12 GRADUALLY OPERATING CAUSES
- for personal Injury caused or contributed to by prolonged exposure to substances, factors or circumstances peculiar to any particular employment or occupation. This Exclusion is applicable to Employers Liability only.
- 11.13 TOTAL ASBESTOS EXCLUSION
- It is hereby understood and agreed that this contract shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity provided that the loss or losses are caused or contributed to by the hazardous nature of asbestos.
- 11.14 MOTOR BALANCE OF THIRD PARTY
- for Motor Balance of Third Party liability unless such liability is in excess of the Scheduled Underlying Insurance and is indemnifiable thereby.
- 11.15 CARRIAGE OF FARE PAYING PASSENGERS
- arising out of the carriage of passengers for hire or reward or the carriage of fare paying passengers.
- 11.16 CYBER LIABILITY
- for loss or damage including detrimental change and any consequence there from to any Electronic Data howsoever caused.
- 11.17 UNFAIR LABOUR PRACTICE
- for any unfair labour practice including but not limited to unfair dismissal within the meaning of the Labour Relations Act No. 28 of 1956 as amended, or any Act passed in substitution therefor.
- 11.18 NUCLEAR RISKS
- 11.18.1 for loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- 11.18.2 of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
- For the purposes of the Exclusion only combustion shall include any self-sustaining process of nuclear fission.
- The indemnity provided by this Policy shall not apply to nor include any loss destruction damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.
- 11.19 USA/CANADIAN EXPORTS
- arising out of any Product (including any marketing advisory service in connection with any Product) within the United States of America or Canada where such Product was to the knowledge of the Insured intended for sale or resale in the United States of America or Canada, or such sale or resale could reasonably be contemplated by the Insured.
- 11.20 WAR TERRORISM EXCLUSION
- WAR TERRORISM EXCLUSION ENDORSEMENT NMS 2919
- Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

11.20.1 war, invasion, acts of foreign enemies, hostilities or warlike operations (whether was be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;

11.20.2 or any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatever nature directly or indirectly caused by, resulting from or in connection with any action in controlling, preventing, suppressing or in any way relating to (1) or (2) above.

11.21 HAZARDOUS GOODS WARRANTY

Warranted that the transport of hazardous substances is in compliance with chapter VIII of the Road Traffic Act 1996 (Act 93 of 1996).

12. POLICY CONDITIONS

12.1 LAW AND JURISDICTION

Any dispute between the Insured and the Insurers in connection with or arising out of the Policy shall be decided exclusively in accordance with the law of the Republic of South Africa and exclusively by a competent court of the Supreme Court of South Africa.

The Insured undertakes that they will not institute action against the Insurers nor bring joinder proceedings against the Insurers in the Court of any country other than the Republic of South Africa.

12.2 PREMIUM

Unless otherwise stated, the Premium shown in the Schedule is a provisional premium based on estimates made and provided by the Insured. The Insured undertakes to keep an accurate and proper record of matters relevant to the calculation of premium and shall, within a reasonable time following the expiry of each Period of Insurance, provide the Insurers with a proper and correct statement so that the premium for that period shall be calculated and the difference paid by or allowed to the Insured as the case may be (subject to any minimum premium that may have been agreed).

12.3 INSPECTION AND AUDIT

The Insurers shall be permitted but not obliged to inspect the Insured's property and operations at any time. Neither the Insurers' rights to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe, or healthy, or are in compliance with any law, rule or regulation.

The Insurers may examine and audit the Insured's books and records at any time as far as they are relevant to this Policy or any Underlying Policy.

12.4 INSURED'S OBLIGATION TO REPORT TO INSURERS

The Insured shall, immediately they become aware of any of the following, give notice thereof in writing to the Insurers:

12.4.1 any and all claims made against the Insured;

12.4.2 any circumstance or any other matter or thing which might give rise to a claim by the Insured under this Policy.

The Insurers shall upon receipt of written notice from the Insured in terms of either of the foregoing provisions be entitled to investigate all and any matters which in the absolute discretion of the Insurers are relevant to the foregoing, and the Insured shall do all things necessary and comply with Condition 12.3 to enable the Insurers to investigate as aforesaid.

Inadvertent failure to comply with this Condition because the Insured could not reasonably have anticipated that the event would give rise to a claim under this Policy will not be construed as a breach of this Condition

12.5 ASSISTANCE AND CO-OPERATION OF THE INSURED

The Insurers shall be entitled but not obliged to assume control of the settlement or defence of any claim made or suit brought or proceeding instituted against the Insured.

The Insurers shall have the right and shall be given the opportunity to associate with the Insured or their Underlying Insurer, or both, in the defence any control of any claim, suit or proceeding which involves the Insurers or within the Underlying Indemnity Limit, in which event the Insured, such Underlying Insurers and the Insurers shall co-operate in all things in the defence of such claim, suit or proceeding and the Insured shall make available to the Insurers such information and afford access to such records as the Insurers may require.

The Insured shall enforce all rights of contribution and indemnity against any person or organisation who may be liable to the Insured in respect of any occurrence which has given rise to liability of the Insured and which is the subject of a claim for indemnity in terms of this Policy.

12.6 APPEALS

In the event of the Insured or their Underlying Insurer elects not to appeal against a judgement in excess of the Underlying Limit, the Insurers may elect to make such appeal at their own cost and expense, and shall be liable for the taxable costs and disbursements and interests on judgement incidental thereto, as are incurred as a result of such election, but in no event shall the liability of the Insurers exceed the amount applicable to any one occurrence. If the Insurers shall make such an appeal the Insured shall themselves, and shall procure that their Underlying Insurers, make available to the Insurers all such evidence and material as the Insurers may require.

The Insured shall do all things necessary to enable the Insurers to act in accordance with this Condition.

12.7 CLAIM PAYABLE

Indemnity will not be provided under Clause 5 until the relevant Underlying Insurers have agreed to pay the underlying indemnity limit as defined in 5.4.1.

12.8 BANKRUPTCY OR INSOLVENCY

In the event of bankruptcy, insolvency or sequestration of the estate of the Insured, whether voluntary or involuntary, or upon takeover of the Insured's business by any Court Official, Trustee or Liquidator, acting or appointed for this purpose, this Policy shall thereupon terminate without the necessity of the Insurers giving notice of such cancellation. In the event of such termination the Insurers will refund such Court Official, Trustee or Liquidator the unearned premium or pro-rata thereon whichever is the lesser.

12.9 UNDERLYING INSURANCES

The indemnity granted by this Policy is conditional upon the Underlying Insurances remaining in force throughout the Period of Insurance for the Indemnity Limits stated on the Schedule of Underlying Insurances attached to this Policy (other than where reduced or exhausted by claims).

12.10 OTHER INSURANCE

If the Insured has effected insurance for the purpose of providing indemnity, other than a policy specifically to provide indemnity in excess of this Policy, the insurance afforded by this Policy shall not contribute with such other insurance. The provisions of this Condition shall apply notwithstanding that the aforesaid policy be voidable or that the insurer be entitled to avoid liability for an occurrence which has given rise to a claim under such other policy.

12.11 SUBROGATION

No admission, offer or payment which results in a claim under this Policy may be made or given by or on behalf of the Insured or the Insurers of any Scheduled Underlying Insurance Policy without the written consent of the Insurers. The Insured will take all reasonable steps to ensure that the Underlying Insurers will co-operate with the Insurers in the defense and settlement of any claim which is indemnifiable both by a Scheduled Underlying Insurance Policy and this Policy, and in the exercise of any subrogation rights. The costs incurred in exercising such rights and any amounts recovered shall be apportioned to each party according to the sums paid or payable under the respective policies.

12.12 CHANGES

Notice to or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy nor stop the Insurers from asserting any rights under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy, signed by an authorised representative of the Insurers.

12.13 ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurers until their consent is endorsed hereon.

12.14 CANCELLATION

This Policy may be cancelled by the Insurers or by the Insured by the giving of 30 days written notice of such cancellation and provided that the Insurers have not been notified of any claim under the Policy or any circumstance, matter or thing which may give rise to such a claim there shall be a pro-rata refund premium subject to the terms of Condition 12.2.

12.15 CURRENCY

Payments under this Policy shall be payable in South Africa in the currency of South Africa.

12.16 DECLARATIONS

By acceptance of this Policy the Insured agrees that the statements in the Schedule and in any subsequent notice relating to the Underlying Limits, are their agreements and representations, and this Policy is issued and continued in reliance upon the truth of such representations and this Policy embodies all agreements existing between the Insured and the Insurers relating to this Insurance.

12.17 DUE OBSERVANCE

The due observance and fulfilment of all provisions in this Policy that require anything to be done or complied with by the Insured is precedent to any liability of the Insurers in respect of any occurrence for which the Insured makes a claim under this Policy.

12.18 PAYMENT OF PREMIUM

Premium is payable before the inception date or renewal date as the case may be. The Insurers shall not be obliged to accept premium tendered to it after such date but may do so upon such terms as they, in their sole discretion, may determine.

12.19 FRAUDULENT CLAIMS

If any claim under this Policy is in any respect fraudulent, the benefit afforded under this Policy in respect of such claim shall be forfeited.



PART 4 – MONEY

INDEMNITY

The Company will indemnify the Insured in the event of

- (a) loss of money
- (b) loss of or damage to clothing or any receptacle as a result of theft or attempted theft of money happening in the territorial limits and in the course of the business.

DEFINITIONS

Money Current coins (*excluding Kruger Rands and similar coins*), cheques, bank and currency notes, bills of exchange, promissory notes, current postage and revenue stamps, unemployment, holiday or other savings scheme, stamps and national savings certificates, credit card slips, the property of the Insured or for which they are responsible.

Receptacle Any safe, strongroom, cash box or other container of money.

Clothing Clothing and personal effects belonging to the Insured or any trustees or employee of the Insured.

LIMIT OF COVER

- (a) Money R10 000
- (b) Clothing R 5 000

Or the amount specified in the schedule whichever the higher.

SPECIAL EXCEPTIONS

The Company will not pay for:

- (a) **Shortages**
Unaccountable shortages or shortages due to errors or omissions.
- (b) **Postal transit**
Loss of money other than crossed cheques whilst in transit by unregistered mail.
- (c) **Dishonesty**
Loss arising from the dishonesty of an employee not discovered within fourteen working days of the occurrence.

Special memorandum

An Insured event admissible in terms of special exception 4(c) shall be subject to the following first amount payable clause:

“The amount payable in respect of an insured event involving one person or any number of persons acting in collusion shall be reduced by:

- (i) 2% of the applicable limit under part 4(a) plus*
- (ii) a further 10% of the net amount payable after the deduction of (i) above”*

and both amounts shall be borne in full by the Insured.

- (d) **Loss of money**
 - (i) arising from the use of keys to any safe/strongroom unless the keys are obtained by threat or violence;
 - (ii) from an unlocked safe / strongroom while the portion of the premises containing such safe / strongroom is unattended.
 - (iii) unless the money is contained in a locked safe / strongroom while the portion of the premises containing such safe /strongroom is unattended;
 - (iv) from any vehicle being used by the Insured unless a principal, director, member, partner or employee of the Insured is actually in such vehicle, but this exception shall not apply if the person concerned is incapacitated as a direct result of an accident involving the vehicle;
 - (v) in respect of which a claim is submitted or would but for the deductible clause be submitted under any fidelity guarantee insurance.

Special exceptions (a), (b), (c) and (d) do not apply up to an amount of R1 000 and such losses shall not be reduced by any first amount payable.

SPECIAL CONDITIONS

(a) **Continued employment of guilty employee**

In the event of the Insured continuing to entrust an employee with money after having discovered any act of dishonesty on the part of such employee then the insurance by this part shall be null and void in regard to any further acts of dishonesty on the part of such employee.

(b) **Other cover**

Loss or damage insured by any other part of this policy or policies is not covered by this part except in respect of the excess of the amount recoverable under such other part or policy.

(c) **Deductible applicable to theft of cheques**

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

1 **Cheques drawn by the Insured**

(a) the cheque has been drawn and crossed exactly in accordance with the attached "Recommended SAIA Procedure for Drawing and Crossing of Cheques" or any other superior method approved by the South African Insurance Association 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 licensed to print cheques by the Automatic Clearing Bureau

or

(b) the cheque has been dispatched to the payee "by certified post"

2 **Cheques drawn by someone other than the Insured and which were received by the Insured by post or direct by the cashier**

(a) such cheque has been crossed and marked 'not negotiable' and marked "not transferable" immediately on receipt thereof by the Insured

and

(b) the Insured is able to identify the drawer and amount of the cheque from their records.

3 **Cheques of which the Insured is the true owner which were drawn by someone other than the Insured and posted to the Insured but the Insured did not receive them**

(a) the cheque has been drawn and crossed exactly in accordance with the attached "Recommended SAIA Procedure for Drawing and Crossing of Cheques" or any other superior method approved by the South African Insurance Association;

or

(b) the cheque was dispatched to the Insured by certified post.

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 undernoted and this is the method recommended by the South African Insurance Association

- 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 preprinted 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 and properly and fully described. Where the payee is a company its full name should be used, for example: RH Jones (Pty) Ltd. 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.
7. In drawing the cheque no spaces should be left which would allow anyone to add extra words or figures.
8. An example of this method of drawing a cheque is attached as Annexure A.
9. On the front of the cheque the wording listed in Annexure B (last page of this section) should be printed. Please ensure that space is left on the rear of the cheque for bank stamps and endorsements.
10. 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 our example. The words 'not neg' and a crossing using a rubber stamp containing a rectangle rather than two parallel lines are worthless.

11. 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 type printer. The ribbon used on the printer/typewriter should be of the type which impregnates ink into the paper. Do not use:

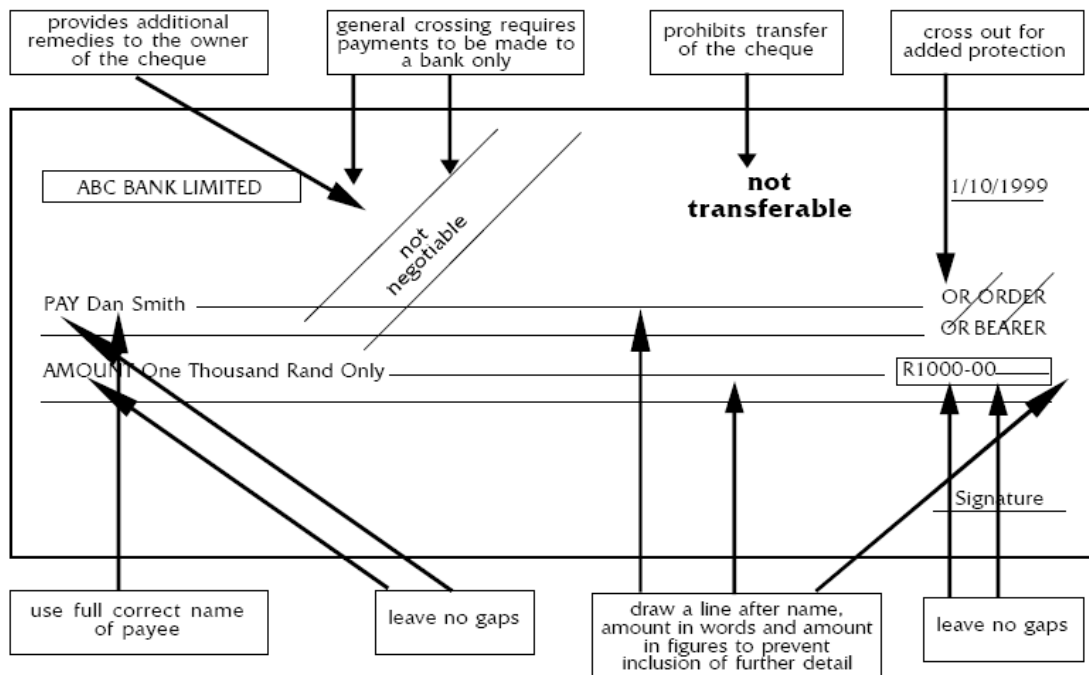
- 11.1 old ribbons;
- 11.2 laser type printers which do not make an impression in the paper;
- 11.3 the 'reverse printing technique'; and
- 11.4 correctable type ribbons.

B PRINTING OF BLANK CHEQUES

Blank cheques should only be printed by the Bank itself or a printer licensed by the Automatic Clearing Bureau. These printers know the recommended requirements of banks and should only use approved:

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

ANNEXURE A - SAIA REQUIRED CHEQUE



ANNEXURE B - SAIA REQUIRED CHEQUE

Warning to be printed on front of cheque - leave enough space for bank stamps etc

WARNING

To person encashing this cheque or receiving it in exchange for any consideration

Where a cheque has been stolen from or lost by the true owner, you may be liable to reimburse him for his loss if you encash such cheque or receive it in exchange for any consideration. (Section 81 of the Bills of Exchange Act, 1964)

NB This cheque is crossed and marked "not negotiable" and "not transferable"



PART 5 – FIDELITY GUARANTEE

INSURED EVENT

- A Loss of money or other property belonging to the Insured or for which he is responsible, stolen by an insured employee during the currency of this section.
- B Direct financial loss sustained by the Insured as a result of fraud or dishonesty of an insured employee all of which occurs during the currency of this section which results in dishonest personal financial gain for the employee concerned and which is discovered during the then current twelve consecutive months of insurance (*calculated from the inception of this policy*) or within twelve months of the termination of:
- (a) this section or;
 - (b) this section in respect of any insured employee concerned in the loss or;
 - (c) the employment of the insured employee or the last of the insured employees concerned in the loss

whichever occurs first

Provided that

- (i) the Company is not liable for all losses which occurred more than twenty four months prior to discovery;
- (ii) renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing the liability of the Company beyond the sum insured stated in the schedule.

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

INDEMNITY

The Company shall not be liable for more than:

- (a) the sum insured against an insured employee at the time of the occurrence of an insured event;
- (b) the total sum insured for all losses at the time of the occurrence of an insured event;
- (c) one claim for any insured employee or two or more employees acting in collusion or independently of each other;
- (d) the loss sustained up to the time the Insured first becomes aware of or has reason to suspect an insured employee has committed an act of theft fraud or dishonesty;

notwithstanding that the Insured event occurs during more than twelve consecutive months of insurance (calculated from the inception of this policy).

DEFINITIONS

Dishonest Personal Financial Gain Dishonest personal financial gain shall not include gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.

Insured Employee Insured employee shall mean any person who is named or whose occupation is specified in the schedule while such person is:

- (a) employed by or apprenticed to;
- (b) hired or seconded from another party;

to the Insured and whom the Insured has the right to control and/or direct in the course of the business.

SPECIAL EXCEPTIONS

- (a) The Company shall only be liable to the extent of the participation/shareholding of any uninvolved partners, principals, directors or members for an insured event in which any partner, principal, director or member of the Insured is or has been directly involved This special exception only applies to Partnerships, Proprietary Companies or Closed Corporations.
- (b) This section does not cover any company or other legal entity acquired during the then current twelve consecutive months of insurance (*calculated from the inception of this policy*).

- (c) The Company shall not be liable for an insured event resulting from the dishonest alteration, destruction or manipulation of any computer, software or computer program system or data or the deliberate suppression or interference with input to or output from the Insured's computer installation by any insured employee whose function is the management, supervision, operation, programming maintenance or control of such installation.

This exclusion shall not apply to any non-networked micro/personal computer unless it is the Insured's sole computer installation.

CLAUSES

1 COMPULSORY FIRST AMOUNT PAYABLE

The amount payable under this section in respect of an insured event involving one employee or any number of employees acting in collusion shall be reduced by

- (a) 2% of the aggregate of the sum insured under this policy and the declared policy or R60 000 whichever is the lesser plus;
 (b) a further amount of 10% (increased to 20% for any insured event admitted notwithstanding special exception 3) of the net amount payable after deduction of the amount specified in (a) above,
 both amounts shall be borne in full by the Insured and remain uninsured.

2 FIRST AMOUNT PAYABLE FOR LOSSES DISCOVERED MORE THAN 12 MONTHS AFTER THEY WERE COMMITTED

If any insured event is discovered more than 12 months after:

- (i) it was committed;
 (ii) the first event in a series of events committed by one person or a number of persons acting in collusion;
 the percentages contained in the first amount payable clause are increased as follows

First amount payable clause	If losses are discovered more than 12 months after being committed but not more than 24 months thereafter.	If policy has been extended to cover that part of losses discovered more than 24 months after being committed but not more than 36 months thereafter.
Compulsory Paragraph (a)	From 2% to 4%	From 2% to 5%
Compulsory Paragraph (b)	From 10% to 15%	From 10% to 20%
Computer Losses Paragraph (b)	From 20% to 30%	From 20% to 35%

Notwithstanding the above the Insured may opt to claim only for that part of the loss which was discovered in a lesser period in which case the first amount payable applicable for the corresponding lesser period will apply.

3 OTHER INSURANCES

It is a condition of this section that other than

- (a) a money policy;
 (b) that declared to the Company
 (c) this policy
 no other policy is in force or will be effected during the currency of this policy to insure against the risks insured hereunder.

SPECIAL CONDITIONS

1 RECOVERIES

Following an insured event the Insured shall to the extent allowable by law retain all monies and other assets due to the insured employee involved and shall treat such monies or assets as a deduction from the loss.

2 SUM INSURED INCREASES

If the sum insured is increased such increased sum insured shall apply only to insured events committed after the date of increase.

EXTENSIONS TO COVER (if stated to be included in the schedule)

1 COMPUTER LOSS EXTENSION

In consideration of the Insured having provided a completed satisfactory questionnaire special exception 3 and the proviso to paragraph (b) of clause 1 are deleted.

2 **REDUCTION REINSTATEMENT OF SUM INSURED**

The payment by the Company of any loss involving one employee or any number of employees shall not reduce the Company's liability in respect of the remaining insured employees provided that:

- (i) the maximum amount payable by the Company for all insured employees shall not exceed double the sum insured specified in the Schedule
- (ii) the Insured pays additional premium on the amount of the insured loss calculated in terms of the following formula

$$\text{Annual premium for the period of insurance current at the time of the loss} \quad \times \quad \frac{\text{Amount of insured loss}}{\text{Sum insured at the time of the discovery of the loss}} .$$

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



HOUSEHOLDERS SECTION

SUB-SECTION A – MATERIAL DAMAGE

INSURED EVENTS

Loss or damage to

- (a) the Insured's movable personal property (*excluding such property more specifically insured elsewhere under the policy*);
- (b) the Insured's movable business office contents (*under-Insurance is not applicable*)

by accidental damage whilst contained in any building.

DEFINITIONS

Accidental damage means accidental unforeseen physical loss or damage which includes but is not limited to fire, lightning, power/electrical surge, explosion, earthquake, impact by animals, aircraft, vehicles or their loads, falling trees, or parts thereof, malicious damage, storm, wind, hail, snow, water, theft or attempted theft, oil leaking from any apparatus, bursting leaking or overflowing of pipes, geysers and water apparatus.

Movable personal property excludes:

- (i) aircraft, watercraft, motor vehicles or their fitted accessories (*other than garden implements*) trailers, caravans including their contents and fitted accessories, animals, livestock, trade goods, tools of trade, stock or landlord's fixtures and fittings;
- (ii) money, documents or negotiable securities for more than R1 000 in any one claim.

CONDITIONS

1 Basis of Indemnity

The sum insured must be equivalent to the current new replacement cost of the Insured's movable personal property. The Company will pay for a single claim or series of claims, arising from a single occurrence, up to the insured amount of the contents. Claims will be settled on the basis of the cost of replacing such property with new property of the same kind or type or similar new property to that lost or damaged at the date of the insured event.

2 Average

Should the new replacement cost of the Insured's movable personal property be more than the amount for which it is insured at the time of the loss or damage, the Company's liability will be limited to the proportion that the sum insured bears to the actual cost of replacing the total of such property. This condition applies separately to each item in the schedule.

3 Limitation of Cover

(a) **Valuables**

The cover available for furs, precious and semi-precious metals and stones and articles manufactured therefrom **is limited to one third of the sum insured in total**. We will not pay more than R20 000 for any watch or article of jewelry unless a valuation dated prior to the loss is submitted.

(b) **Business Office Contents**

The Company's liability in respect of business office contents is limited to R50 000 per any one event.

4 Excess Waiver for Pensioners and Policy Holders 55 years and older

The first amounts payable (excess) will be waived on any claim under the policy where:

- (i) The insured is noted as a Pensioner
- (ii) The age of the insured is 55 years and older

This excess waiver does not apply to:

- (i) Any voluntary excess selected by the insured for which he is receiving a discount in premium
- (ii) Any compulsory first amount payable which has specifically been imposed on an item or section by Insurers.

The above is subject to Thatch Risk Acceptances receiving documentary proof thereof in the form of a copy of a legible South African Identity Document or Passport.

5 **BURGLAR ALARM CONDITION (A) (If stated in the schedule to apply)**

It is hereby declared and agreed that notwithstanding anything contained in the policy, that moveable personal property is not covered against theft or any attempt thereat unless the alarm installed in the residence is maintained in an efficient condition and is switched on and whilst the residence is unattended.

6 **BURGLAR ALARM CONDITION (B) (If stated in the schedule to apply)**

It is hereby declared and agreed that notwithstanding anything contained in the policy, that moveable personal property is not covered against theft or any attempt thereat unless the alarm installed in the residence is:

- i) maintained in an efficient condition
- ii) switched on and operative whilst the residence is unattended.
- iii) linked to a control room and armed response company

7 **BURGLAR BARS & SECURITY GATES (If stated in the schedule to apply)**

It is hereby declared and agreed that notwithstanding anything contained in the policy, loss or damage by theft or attempted theft resulting from entry to the building through any window or Louvre which can be opened and which is not protected by burglar proofing, as well as any external glass door which is not protected by a security gate, is not covered.

8 **FORCIBLE & VIOLENT ENTRY AND/OR EXIT WHILST THE PREMISES IS UNOCCUPIED. (If stated in the schedule to apply)**

Theft or attempted theft is not covered unless accompanied by forcible and violent entry into or out of the building(s) whilst the premises are unoccupied at the time of the loss.

9. **VELDFIRE EXCESS**

The first amount payable (excess) in the event of a veldfire claim, will be **2.5% of the claim per event.**

10. **UNOCCUPANCY EXCESS (If stated to be included in the policy schedule)**

The first amount payable (excess) in the event of a claim occurring whilst the premises is unoccupied will be **10% of claim with a minimum of R 5 000.00 and maximum of R 100 000 per event.** The excess will be waived if a burglar alarm condition (where applicable) is adhered to in the event of a claim.

It is hereby noted and agreed that this excess will not apply in the event of a loss as a result of fire, lightning, explosion and earthquake.

SPECIFIC EXCEPTIONS TO COVER

This section does not cover:

1 theft or attempted theft

- (i) if such theft is money unless the theft is accompanied by visible forcible entry into or exit from the premises or by violence or threat of violence to the Insured.
- (ii) if such theft is in any other premises unless the theft is accompanied by visible forcible entry into or exit from the premises or by violence or threat of violence to the Insured.
- (iii) more than 50% (Fifty Percent) of the sum insured for theft by any tenant or sub-tenant (*or family or servants of such tenant or sub-tenant*);

2 loss or damage caused by:

- (i) vermin, insects, termites, scratching, denting, chipping, defacing, damp or the process of cleaning, dyeing and bleaching;
- (ii) scratching, biting, chewing, tearing or soiling by domestic pets;
- (iii) gradually operating causes such as but not restricted to wear and tear, rust, mildew, corrosion, damp, wet or dry rot;
- (iv) mechanical or electrical breakdown or derangement unless stated in the Extensions of Cover and/or the schedule to be covered.
- (v) altering, repairing, restoring or renovation, unroofed or partially roofed buildings including cover for building materials, fixtures, fittings and improvements which you own or for which you are responsible.

EXTENSIONS OF COVER

In addition, the Company will pay:

- 1 **Additional Charges**
Fire brigade and similar charges levied in connection with an insured event.
- 2 **Movable personal property in vehicles**
Loss or damage to Movable Personal Property up to R5 000 while in any motor vehicle **excluding** money, documents and negotiable securities.
- 3 **Credit Cards**
Up to R5 000 for which the Insured is liable following the loss of his credit, charge, debit or similar card provided he complies with the conditions under which the card was issued. The cover for this extension is worldwide.
- 4 **Death**
R10 000 if the Insured is injured by fire or thieves and dies within twelve months as a result of such injury.
- 5 **Deterioration of Foodstuffs**
Up to 2 per cent of the sum insured, for accidental deterioration of foodstuffs from any cause except the deliberate withholding of power by a supply authority.
- 6 **Keys and Locks**
Up to R5 000 for the cost of replacing locks/electronic locks/keys, remote alarm or security controllers and if necessary, the programming of any coded alarm / electronic lock / security device following the disappearance of any keys or remote controller or following upon the Insured having reason to believe that an unauthorized person may be in possession of a duplicate key, remote alarm or electronic security controller in respect of the residence at the address stated in the schedule or any motor vehicle, trailer or caravan owned by the insured.
- 7 **Emergency Expenses**
Up to R10 000 for expenses reasonably incurred:
 - (i) following accidental injury to any person other than the insured caused by a domestic animal owned by the Insured or by a defect in the Building situate at the address stated;
 - (ii) following accidental injury to any domestic employee arising from his employment by the insured.
 - (iii) for a trauma related medical expenses in respect of Psychological treatment for the insured as defined under General Condition 1(a).
- 9 **Property of guests and domestic employees**
Up to R5 000 for any one person in respect of movable, personal property belonging to guests, visitors or domestic employees, lost or damaged by an insured event but theft or attempted theft of domestic employees' movable personal property must be accompanied by forcible and violent entry.
- 10 **Property in the open**
 - (i) Up to the sum insured for movable, personal property lost or damaged by fire, lightning or explosion.
 - (ii) Up to R15 000 for theft of personal property while in the open at the address stated in the schedule.
- 11 **Property in transit**
Up to the sum insured for loss or damage to movable personal property not otherwise insured while being in transit because the insured is making a permanent change of address or while being taken to or from any bank safe deposit or furniture depository. A first amount payable of 5% of the claim minimum R1,000 will apply.
- 12 **Loss of water**
Up to R5 000 for additional charges levied by the supply authority for water lost through bursting or leaking (*corrosion of pipes included*) of the main water supply pipes between the supplier's meter and the building. The additional amount shall be the amount by which the account submitted by the supply authority for the period (*not exceeding three months*) during which the loss occurred, exceeds the average account payable for water for the previous six months.
- 13 **Rent**
Up to 25 percent of the sum insured for rent payable or the cost of alternative accommodation, if the insured's residence is made uninhabitable as a result of a valid claim. The definition of insured is extended to include a Domestic Person(s) in the insured's employ and who permanently resides on the insured premises. Payment will not be made for longer than the period required to make the residence habitable.
- 14 **Veterinary Expenses**
Up to R10 000 for veterinary expenses incurred following a road accident involving a domestic pet owned by the insured.

- 15 **Shelter for Domestic Pets**
Up to R5 000 for cost incurred in placing domestic pet/s owned by the insured in a shelter following the total destruction of the insured's building by fire.
- 16 **Horses and Koi Fish**
The Company will pay up to R3 000 for any one event for death or injury to horses or koi fish directly resulting from fire, lightning, thunderbolt, explosion, earthquake, theft, aircraft (*or articles falling from aircraft*), storm, tempest, flood, impact by vehicles or any act committed by anyone with the intention of causing such death or injury.
- 17 **Watchmen**
Up to R10 000 for costs reasonably incurred in employing watchmen following an event giving rise to a valid claim.
- 18 **Gardens and Water features**
The Company will pay up to R10 000 for costs incurred by the insured in restoring damaged landscaped gardens and water features following damage by fire, fire-fighting operations, explosion, impact by vehicles, aircraft or other aerial devices and articles dropped from them or any act committed by one with the intention of causing loss or damage.
- 19 **Electrical Equipment**
The Company will pay up to R5 000 for any one event following loss or damage by any cause to swimming pool pumps, borehole pumps, Jacuzzi machinery, electrical doors and gates.
- 20 **Household Appliances - Electrical and/or Mechanical Breakdown** (If stated in the schedule to be included)
The company will at its option by payment, repair or replacement, indemnify you for sudden mechanical or electrical breakdown of household appliances in the private residence stated to be included under the Household Contents Section of the policy.
- We will not be liable for:
- (a) more than the sum insured stated in the policy schedule less the first amount payable of R350 per claim.
 - (b) Loss or damage
 - (i) arising from neglect or misuse;
 - (ii) occurring during the currency of a manufacturer's guarantee unless a claim is first made against the guarantor;
 - (iii) gradual operating causes such as, but not restricted to, rust, mildew, corrosion, damp, vermin, dry rot wear and tear.

SUB-SECTION B – LIABILITY

INSURED EVENT

- 1 Accidental
- (a) death of or bodily injury (*including illness*) to any person who is not normally resident in the Building.
 - (b) loss or physical damage to tangible property not belonging to or in the custody and control of a person normally resident in the Building by the negligence of the Insured or of his domestic servants which results in the Insured becoming legally liable to pay damages.
- caused anywhere in the world (*notwithstanding general exception 7.*)
- 2 Damage by an insured peril to the Building, landlord's fixtures and fittings, oil and water tanks or to the water, sewerage, gas, electricity, telephone or television connections between the Building and the public or mains supply points for which the Insured becomes legally liable as a tenant.

INDEMNITY

The limit of the Company's liability under any or all of the insured events for any one insured event or series of insured events with one original cause or source, inclusive of legal costs recovered by any claimant from the Insured and all other costs and expenses incurred with its written consent is R10 000 000.

In the event of the Company being required to indemnify more than one person the limit of liability shall apply in the aggregate to all persons being indemnified and in priority to the Insured or in the event of his death, to his legal personal representative.

SPECIFIC EXCEPTIONS TO COVER

This sub-section does not cover:

- (a) the Insured's business or occupation (*except as provided in insured event 3*);
- (b) the ownership or occupation of land or building(s)
- (c) the ownership, possession or use (*other than as a passenger having no right of control*) of any airborne craft (*other than model aircraft*), watercraft (*except non-power driven craft used on inland or coastal waters*), power assisted cycle, mechanically propelled vehicle of any kind (*other than garden implements or golf caddy carts*), trailers, caravans or animals (*other than cats, dogs or horses*);
- (d) liability assumed under agreement unless liability would have attached to the Insured notwithstanding such agreement;

- (e) liability arising from or connected with seepage, pollution or contamination or any costs in connection with nullifying or cleaning up, seeping, polluting or contaminating substances unless caused by a sudden unintended and unforeseen happening unconnected with any gradually operating cause;
- (f) fines, penalties, punitive, exemplary or vindictive damages;
- (g) compensation for damages or costs and expenses of litigation recovered by any claimant from the Insured 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;
- (h) any liability falling within the scope of any form of motor insurance or which is compulsorily insurable under any legislation governing the use of motor vehicles notwithstanding that no such insurance is in force or has been effected.

EXTENSIONS OF COVER

1 Tenant's liability

When the Insured occupies a residence which does not belong to him, this section includes his legal liability (*other than any liability arising from an agreement with the landlord unless such liability would have attached in the absence of such agreement*) for loss or damage to the building and its service connections to utilities which due to his negligence is caused by or arises from:

- (i) fire or explosion;
- (ii)
 - (a) storm, wind, hail, snow or water;
 - (b) theft or attempted theft
unless the residence is unoccupied;
- (iii) accidental breakage of fixed glass or sanitary ware.

2 Employer's Liability

When the Insured employs a domestic employee, this section includes his legal liability for death or bodily injury to such employee or damage to his property arising out of and in the course of such employment but not arising out of or connected with industrial diseases of the lungs unless arising from a sudden and unforeseen cause.

3. Security Firm Liability

If in terms of a contract with a security firm engaged to protect the Insured's property at the address stated in the schedule, the Insured becomes legally liable for negligent acts of employees of such firm in the course of their employment by the Insured, then this section includes such legal liability to the extent that indemnity would have been granted had the said employees been under a contract of service to the Insured and not the security firm. If at the time of an occurrence giving rise to a claim, the security firm is entitled to indemnity under any other policy in respect of the same event, the Company shall not be liable to make any payment except in respect of any amount above the amount payable under such other policy.

4 Wrongful Arrest

Up to R100 000 for all damages that the Insured is legally liable to pay arising from the wrongful arrest or search of any person.

5 Hole-in-One or Full-House

The Company will pay up to R5 000 if the insured hits a hole-in-one in golf or scores a full-house in bowls on a golf course or bowling-green affiliated to a provincial union.

The hole-in-one or full-house must be achieved whilst playing in terms of the recognized rules of the specific game and the hole-in-one or full-house must be confirmed in writing by the secretary of the club.



PART 7 – MOTOR

SUB-SECTION A – MATERIAL DAMAGE

INDEMNITY

Loss of or damage to an insured vehicle and its accessories and spare parts whilst there on. The cover available by the Company is limited to:

- a) The actual and necessary cost of repair or the retail value of the insured vehicle or the sum stated against the insured vehicle, whichever is the lowest;
and
- b) If, following loss or damage, the insured vehicle is disabled, the reasonable and necessary costs for its protection and removal to the nearest competent repairer;
and
- c) If, the insured vehicle is repaired, the cost of re-delivery to the insured but not exceeding the cost of transportation from the repairer to the insured’s permanent address within the territorial limits.

From which amount shall be deducted the first amount payable.

DEFINITIONS

INSURED VEHICLE Any vehicle including, but not limited to LDV, motor car, motor cycle, motor home, caravan, trailer and special type vehicle (*including any permanent fittings, accessories or spare parts therein or thereon*) that is limited to either private or professional use as described under Condition 8 – Description as to the Use of this section of the policy, the details of which are stated in the schedule; including any vehicle temporarily operated by the Insured as replacement for any specified vehicle which is out of use for the purpose of overhaul, upkeep and/or repair provided that the limit of the Company’s liability for such replacement vehicle shall be the lesser of its retail value and the sum insured for the replaced vehicle.

LDV (LIGHT DELIVERY VEHICLE) Any self-propelled vehicle (*not falling within the definitions of motor car or motorcycle*) not exceeding 3 500 kilogram’s gross vehicle mass.

MOTOR CAR Any self-propelled vehicle having a saloon, station wagon, convertible or open body fitted with permanent passenger seating for not more than 12 persons (*including the driver*).

MOTOR HOME/CAMPER Any vehicle with self-propulsion (motor home or camper)

CARAVAN Any vehicle without means of self-propulsion and designed to be towed by a LDV or motor car.

TRAILER Any vehicle without means of self-propulsion designed to be towed by a commercial vehicle, LDV, motor car or motor cycle.

SPECIAL TYPE Any vehicle not defined already and limited to solely private use as described under the Condition 8 - Description as to the Use of this section of the policy

MOTOR CYCLE Any self-propelled two-wheeled vehicle (*to which may be fitted a single seat passenger side car*), mechanically assisted pedal cycle or three-wheeled vehicle (with an engine capacity not exceeding 350 cubic centimeters) designed for the carriage of goods or a quad bike.

OCCURRENCE Each insured event shall include all events or occurrences arising from a single cause or series of causes with one original cause or source.

COVER When the cover for an insured vehicle is stated in the schedule to be

- (a) ‘Comprehensive’ Sub-sections A and B of the motor section apply;
- (b) ‘Third party fire and theft’ Sub-section A is limited to loss or damage by fire, lightning or explosion and theft or any attempt thereat and Sub-section B applies;
- (c) ‘Third party only’ only Sub-section B applies.

CONDITIONS

1 FIRST AMOUNT PAYABLE

The schedule defines the circumstances in which an amount is to be borne by the Insured under Sub-section A. Each applicable item of the schedule shall apply individually and cumulatively to each insured vehicle for every insured event.

If the Company makes a payment which includes any amount to be borne by the Insured such amount shall be repaid forthwith.

2 DRIVERS

The Company shall not be liable for any insured event occurring while and insured vehicle is being driven by:

- (i) the insured while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than themselves) or while the concentration of alcohol in any specimen of blood exceeds the permissible level as set out in the National Road Traffic Act 93 of 1996 or while the concentration of alcohol in any specimen of breath exceeds the permissible level as set out in the National Road Traffic Act 93 of 1996.
- (ii) Any other person with the general consent of the insured who, to the insured’s knowledge, is under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than themselves) or whose concentration of alcohol in any specimen of blood exceeds the permissible level as set out in the National Road Traffic Act 93 of 1996 or while the concentration of alcohol in any specimen of breath exceeds the permissible level as set out in the National Road Traffic Act 93 of 1996.

3 DRIVERS LICENSES

The Company shall not be liable for any insured event occurring while and insured vehicle is being driven by any person who is not licensed to drive such vehicle, but this shall not apply if the insured was unaware that the driver was unlicensed and the insured can prove to the satisfaction of the Company that, in the normal course of their business, procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles.

- (i) It is a pre-condition of cover that any driver shall be licensed to drive the vehicle.
- (ii) Any driver shall be deemed to be licensed to drive the vehicle if they are compliant with the licensing laws relating to any of the territories in respect of which the cover is available or if non-compliance within the licensing law because of failure to renew any license subject to periodic renewal or if a license is not required by law or while such driver is learning to drive and is compliant with the laws relating to learner drivers.
- (iii) If during the currency of this section, any driver’s license in favour of the insured or the authorised driver is endorsed, suspended or cancelled or if they shall be charged or convicted of negligence, reckless or improper driving, notification shall be send in writing to the company immediately the insured have knowledge of such facts.

4 ROADWORTHINESS

It is warranted that the insured vehicle or any part thereof or any trailer attached thereto or forming part of a train of trailers drawn thereby or any part of any such trailer or trailers (all of which are here referred to as “the insured vehicle”) complies in all respects with the requirements of roadworthiness as set out in the National Road Traffic Act 93 of 1996, or any replacement statute, the Regulations thereto or any Provincial or Local Proclamation or statute which is applicable to the insured vehicle.

Breach of this warranty in any manner shall result in no benefit being payable under this policy, if the insured vehicle's lack of roadworthiness was a cause of or contributed to the occurrence giving rise to such claim.

All benefit under this policy shall be forfeited if any insured vehicle at the time of any accident or loss giving rise to a claim in terms of this policy, is found not to be in possession of a valid vehicle registration certificate in terms of the requirements of the National Road Traffic Act No 93 of 1996 or any replacement statute.

5 REGISTRATION OF VEHICLE

It is warranted that the insured vehicle or any part thereof or any trailer attached thereto or forming part of a train of trailers drawn thereby or any part of any such trailer or trailers (all of which are here referred to as "the insured vehicle") must be registered in the Republic of South Africa subject to legislated time frames.

6 CLAIM FREE GROUP / NO CLAIM BONUS

In the event of the Company not being required to make any payment for an insured event during the period stated below immediately preceding the renewal of this section the premium for an insured vehicle (other than a trailer or one for which the cover in the schedule is stated to be other than comprehensive) during the ensuing period will be charged in accordance with the Company's scale of rates for the appropriate CFG or reduced by the percentage NCB applicable.

Each insured vehicle is separately subject to this privilege:

Period	CFG
Less than 12 months	0
Not less than 12 months	1
Not less than 24 months	2
Not less than 36 months 30%	3
Not less than 48 months 40%	4
Not less than 60 months	5

In respect of an insured vehicle for which the premium is based on CFG 4 or 5 if one or more insured event occurs during the applicable period the premium for the ensuing period will be based on CFG 2 or 3 respectively and thereafter in accordance with the provisions of the above scale but in any other circumstances CFG 0 applies. If the Company agrees to a transfer of interest in an insured vehicle during the currency of this section any CFG/NCB due to the Insured shall not vest to the benefit of the transferee.

7 MOTOR TRADE RESTRICTED USAGE

When the Insured is an individual connected with the motor trade and the description of use as described under Condition 8 – Description as to the Use of this section of the policy, is private

- (a) this section excludes use for experiments tests trials demonstration towing or breakdown purposes connected with the Insured's business
- (b) the 'driving of other vehicles' extension to sub-section B excludes
 - (i) vehicles the property of or in the custody or control of a company or firm of which the Insured is a principal director member partner or employee
 - (ii) any vehicle in the custody or control of the insured in the course of his business as a motor trader

8 DESCRIPTION OF USE

This section shall be operative only while an insured vehicle is being used with the general knowledge and consent of the Insured for

(i) Description of use P - Social, Domestic and Pleasure Use

Use for social, domestic, pleasure emergency travel to and from work, emergency professional and business purposes

EXCLUDING hiring, carriage of passengers for hire or carriage of fare paying passengers, commercial travelling, driving instruction for reward, racing, speed or other contests, rallies, trials or use for any purpose in connection with the motor trade. The term "motor trade" will not invalidate any cover provided to you while the vehicle is in the custody or control of any member of the motor trade and used only for its maintenance or repair.

(ii) **Description of use B – Business Use**

Use for social, domestic, pleasure, professional and business purposes

EXCLUDING hiring, carriage of passengers for hire, driving instruction for reward, racing, speed or other contests, rallies, trials or use for any purpose in connection with the motor trade. The term “motor trade” will not invalidate any cover provided to you while the vehicle is in the custody or control of any member of the motor trade and used only for its maintenance or repair.

9 LIABILITY TO THE INSURED ONLY

Notwithstanding that sub-section B extends to indemnify persons other than the Insured no one except the Insured shall have any rights against the Company nor shall the Insured abandon his rights to any other person it being the intention that if the Company is required to indemnify another person the Insured shall claim on his behalf

In all cases the receipt of the Insured shall absolutely discharge the Company’s liability

SPECIAL EXCEPTIONS TO COVER

The Company shall not be liable for:

- (i) Wear and tear, mechanical, electrical or electronic breakdowns, failures or breakages;
- (ii) Depreciation in value whether arising from repairs following an insured event or otherwise;
- (iii) Damage to:
 - (a) Tyres by the application of brakes or by road punctures, cuts or burst;
 - (b) The suspension due to any qualities of the road or other service or impact with such inequalities;
- (iv) Theft or any attempt thereof of accessories or spare parts when the cover under this sub-section is stated to be Third Party, fire and theft unless the insured vehicle is stolen at the same time or the theft occurs from the insured’s locked garage;
- (v) More than the amount as stated in the schedule (*less the applicable first amount payable*) in respect of the theft or any attempt thereof of fitted radios, tape players and similar equipment and/or fitted telephones (*not supplied by the manufacturers of the vehicle when new*) from an insured vehicle,
- (vi) Accessories and spare parts required in the repair or reinstatement of an insured vehicle which cannot be obtained in the Republic of South Africa in which event the Company may discharge its liability by paying in cash the value of the article at the time of the insured event or the amount stated in the latest manufacturer’s / agent’s price list for the article concerned whichever is the lesser.
- (vii) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- (viii) Loss or damage caused by:
 - (a) vermin, rats, insects or termites;
 - (b) scratching, biting, chewing, tearing or soiling by domestic pets.

EXTENSION TO COVER

1 ALTERNATIVE BASIS OF SETTLEMENT - Only included for vehicles with Comprehensive Cover

Notwithstanding the provisions of this sub-section, if during the period of 12 (*twelve*) calendar months following the date on which a LDV or motor car is first registered, it is -

- (a) Stolen and recovered within 6 (*six*) months of the date on which the theft is reported to the company or
- (b) Damaged following an insured event to the extent that the estimated cost of repair (*by two independent repairers*) exceeds 70% of its retail price on the date of the insured event;

The Company will subject to the consent of the insured and/or any other interested party replace it with a new vehicle of the same type and model provided that:

- (i) Such vehicle is available in the territory in which the insured vehicle was registered;
- (ii) The stolen / damaged vehicle becomes the property of the company;

(iii) The company shall not be liable for more than the sum stated in the schedule for such vehicle.

If in the opinion of the company the insured damaged car or LDV cannot economically be repaired and must be written off, then the basis of settlement shall be the market value which shall be arrived at by taking the retail price for the relevant vehicle as appearing in the latest Auto Dealers Digest and applying thereto the said Digests factors which either reduce or increase the printed value.

2 EARTHQUAKE - Only included for vehicles with Comprehensive Cover

The word Earthquake is deleted from General Exception 5(a).

3 MEDICAL EXPENSES - Only included for vehicles with Comprehensive Cover

If the insured or the driver or any other occupant of the permanently enclosed passenger compartment of any insured vehicle or motorized caravan other than a bus or taxi sustains bodily injury by violent accidental external and visible means directly in connection with such insured vehicle or caravan the Company will pay to the Insured any medical expenses (*including costs incurred in freeing such injured person from such vehicle and the costs of bringing such injured person to a place where medical treatment can be administered*) actually and necessarily incurred which are not recoverable from some other source up to a maximum of R1 500.00 per injured person.

4 REPAIR AUTHORITY - Only included for vehicles with Comprehensive Cover

The insured may (*subject to obtaining a detailed estimate and immediately forwarding it to the Company*) authorize repairs following an insured event up to an amount not exceeding R2 000.00.

5. SUSPENSIVE SALE / LEASE AGREEMENT - Only included for vehicles with Comprehensive Cover

If the Company has been notified prior to an insured event of the interest of any party in an insured vehicle which is the subject of a suspensive sale / lease agreement it will note and protect such interest provided that if any payment is made in terms of this sub-section to such owner his receipt shall be full and final discharge of the Company's liability for loss or damage.

6. FIRE EXTINGUISHING CHARGES

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

7. WINDSCREEN - Only included for vehicles with Comprehensive Cover

Subject to cover in respect of an insured LDV or motor car or vehicle (*if stated in the schedule to be included*) being stated in the schedule to be *Comprehensive* The Company will pay for damage arising from the breakage of its windscreen or other window glass and scratching of its bodywork resulting solely and directly there from provided that the Insured shall pay the first amount payable (*applicable to glass*) specified in the schedule. For the purpose of special condition 6 any payment under this extension does not constitute an insured event.

8. Territorial Limits & Repatriation Clause

Notwithstanding the territorial limits stated in General Exception 7, the territorial limits for this section does not cover loss, damage or liability caused, sustained or incurred outside the Republic of South Africa, Botswana, Lesotho, Namibia, Swaziland, Zimbabwe, Malawi, Mozambique, Zambia, Kenya, Tanzania and Uganda.

In the event of a vehicle insured by this Policy sustaining damage outside the Territorial Limits of the Republic of South Africa, Botswana, Lesotho, Namibia, Swaziland and Zimbabwe and such vehicle being disabled by such damage, the cost and responsibility of salvaging and delivering the vehicle to the nearest border of the Republic of South Africa shall be borne by the Insured.

SUB-SECTION B – LIABILITIES TO THIRD PARTIES

INSURED EVENT

An accident caused through or in connection with an insured vehicle or a trailer attached thereto, the loading and/or unloading thereof or a disabled vehicle being towed in respect of which the insured and/or any passenger become legally liable to pay damages for:

- (a) death or bodily injury (including illness) to any person;
- (b) damage to property.

INDEMNITY

The Company will pay all sums inclusive of legal fees recoverable by a Claimant and other costs and expenses incurred with its written consent for which the insured become legally liable up to the limit of liability below.

LIMITS OF LIABILITY

The Company shall not be liable for more than the amount stated below for any one event or series of events with one original cause or source

- (i) R5 000 000 for an insured event arising from fire (*LDV'S and motor cars*) or fire and/or explosion (*any other insured vehicle*);
- (ii) R200 000 for death or bodily injury to any one or all persons being carried in or upon or entering into or getting onto or alighting from the goods carrying section of a LDV or the passenger compartment of a motor car with an open or convertible body;
- (iii) R100 000 for death or bodily injury to any one or all persons being carried in or upon or entering into or getting onto or alighting from a Professional vehicle designed for the carriage of passengers
- (iv) R10 000 for death or bodily injury to any one or all persons being carried upon or getting onto or alighting from a motor cycle
- (v) R5 000 000 in any other circumstances for LDV's and motor cars or R 2 500 000 in respect of any other vehicle type.

but when the motor section extends to persons other than the Insured the above limits shall apply in aggregate to all persons being indemnified and in priority to the Insured or in the event of his death his legal personal representative.

SPECIAL EXCEPTIONS TO COVER

The Company shall not be liable for

- (a) death or bodily injury to any person
 - (i) who is a member of the same household as the Insured
 - (ii) in the employment of the Insured if death or bodily injury arises out of and in the course of such employment
 - (iii) being carried in or upon or entering into or getting onto or alighting from any insured vehicle other than a vehicle designed for the carriage of passengers, motor car, the cab or permanently enclosed passenger carrying compartment of a LDV at the time of an insure event or a motor cycle
- (b) damage to
 - (i) property belonging to, held in trust by or in the custody or control of the Insured or being conveyed by or loaded onto or unloaded from an insured vehicle
 - (ii) any vehicle or trailer (*except as provided in subsection A*) being towed by an insured vehicle or any property in or on such vehicle or trailer
- (c) an insured event
 - (i) which falls within the scope of any compulsory motor vehicle insurance enactment notwithstanding that no such insurance has been effected or is in force
 - (ii) arising from the operation, demonstration or use for purposes other than maintenance or repair of an insured vehicle.
- (d) any contractual liability

SPECIAL EXTENSIONS TO COVER

1 DRIVING OF OTHER VEHICLES

Where the Insured is an individual the Company will indemnify him in terms of sub-section B while personally driving or using a LDV motor car or motor cycle which does not belong to him nor is hired by or purchased or leased by him under a suspensive sale/ lease agreement.

2 INQUEST / CRIMINAL PROCEEDINGS

The Company may at its sole discretion arrange for representation at any inquest/criminal proceedings arising from an insured event and will pay all costs and expenses thereof incurred with its written consent.

3 **OTHER DRIVERS**

The Company will indemnify any person driving or using an insured vehicle on the order or with the permission of the Insured provided that:

- (a) he shall as though he were the Insured observe fulfill and be subject to the terms of this insurance in so far as they can apply
- (b) he is not entitled to indemnity under any other policy (*this proviso does not apply to any amount not recoverable under such policy*)
- (c) he has not been refused nor had a motor vehicle insurance cancelled by an insurer
- (d) the Company shall not be liable for
 - i) death of or bodily injury to any person who is a member of the same household as or which arises out of and in the course of employment with the person being indemnified
 - ii) damage to property belonging to or held in trust by or in the custody or control of the person being indemnified.

MEMORANDA

(if stated in the schedule to apply)

1 **CONTINGENT LIABILITY**

The Company will indemnify the Insured for an insured event under sub-section B arising from the use by an employee (*or any person if carrying school children*) of any vehicle in connection with the business provided that

- (a) the vehicle is not supplied by the Insured
- (b) this memorandum does not cover loss or damage to the vehicle

2 **LIMITATION OF PASSENGER LIABILITY**

Paragraph (ii) of the limits of liability (*Sub-section B*) is amended to read

- (ii) R50 000 for death or bodily injury to any one or all persons being carried in or upon or entering into or getting onto or alighting from a LDV or motor car.

3 **LIMITATION OF PASSENGER LIABILITY (*Drivers under 25*)**

When the insured vehicle is being driven by a person under 25 years of age memorandum 2 shall apply.

4 **PASSENGER LIABILITY EXTENSION (*Vehicle designed for the carriage of goods*)**

The words 'designed for the carriage of passengers' are deleted from special exception (a) (iii) of subsection B and item (iii) of the limits of liability (*Subsection B*) and the limit of the Company's liability for any one or all persons being carried in or upon or entering into or getting onto or alighting from a commercial vehicle designed for the carriage of goods at the time of an insured event shall be the sum stated in item (iii) of the limits of liability (*Sub-section B*) or the sum stated in the schedule (*if applicable*).

5 **PASSENGER LIABILITY EXTENSION (*Vehicles designed for the carriage of passengers*)**

The limit of the Company's liability for any one or all persons under item (iii) of the limits of liability (*Sub-section B*) is increased to the sum stated in the schedule.

6 **UNAUTHORISED PASSENGERS**

Sub-section B extends to include passengers being carried on an insured vehicle in contravention of the Insured's instructions to his driver not to carry passengers. When this memorandum is in force memorandum 5 applies.

This memorandum shall only operate if the insured vehicle is being driven by a person duly authorised by the Insured.

7 **BASIC EXCESS WAIVER**

The Basic Excess including the Windscreen and Glass Excesses as stated on the policy schedule is hereby waived.

8 **HIJACK EXCESS WAIVER**

The Hijack Excess as stated on the policy schedule is hereby waived.

9 **RIOT AND STRIKE**

Notwithstanding general exception I insured event includes loss or damage directly occasioned by or through or in consequence of

- (i) civil commotion, labour disturbances, riot, strike or lock-out
- (ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above

provided that the Company shall not be liable for

- (a) loss or damage occurring in the Republic of South Africa or Namibia
- (b) consequential or indirect loss or damage of any kind or description whatsoever
- (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 IQ) (Hi) (iv) (v) or (vi) or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with such occurrence.

If the Company alleges that by reason of provisos (a) (b) (c) (d) or (e) loss or damage is not covered by this memorandum the burden of proving the contrary shall rest on the Insured.

12 **LOSS OF KEYS EXTENSION**

The Company will indemnify the Insured in respect of the cost of replacing locks and keys including the remote alarm controller and if necessary the reprogramming of any coded alarm system of any insured vehicle following upon the disappearance of any keys or alarm controller of such vehicle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller provided that

- (i) the Company's liability shall not exceed the amount stated in the schedule for any one event
- (ii) the Insured shall bear the amount stated in the schedule for each and every loss
- (iii) for the purposes of special condition 1 and the first amount payable definition any payment under this extension does not constitute an insured event.

13 **WRECKAGE REMOVAL EXTENSION**

The cover provided under sub-section A extends to include costs and expenses incurred by the Insured in respect of clearing up and removal of debris and wreckage of any insured vehicle following damage to such vehicle by an insured event provided that in addition to the limit of indemnity under sub-section A the limit of the Company's liability under this extension shall not exceed in respect of any one occurrence the limit to apply to this extension stated in the schedule.

14 **VEHICLE HIRE COST EXTENSION**

A In the event of a private motor vehicle or light delivery vehicle which is comprehensively insured or which enjoys theft and hijack cover under this section of the policy:

- (a) being unusable or being repaired due to damage or loss covered under this section;
- (b) being damaged and in the opinion of the Company repairs are not economically viable or being stolen or hijacked

the Company will indemnify the insured up to R 300.00 per day for the hire of the vehicle from a recognised rental company upon submission of an invoice, provided that:

- (a) the insurer has been informed or that a properly completed claim form in respect of the loss or damage has been received;
- (b) the period of hire commences from the date the vehicle is handed to the motor trade for repair;
- (c) the Company will not pay for petrol or lubricants;
- (d) cover does not apply if only window glass is damaged;
- (e) cover will terminate if the vehicle
 - (i) has been satisfactorily repaired if repairs were economically viable or;

- (ii) been replaced with a new vehicle or the date of settlement in the case of a cash settlement or;
- (iii) had been recovered plus, if required, any time required for the repair of the vehicle after it had been recovered in the event of theft or hijacking, whichever occurs first or;
- (iv) the insured has had the hire vehicle up to a maximum of 30 days whichever occurs first.

(f) loss or damage falling within the applicable excess is not covered in terms of this extension.

B Hire of vehicles outside the Borders of the Republic of South Africa

If in terms of this clause, the insured is to be supplied with a rental vehicle outside the Republic of South Africa, but within the borders of Namibia, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi, the insured may rent a vehicle from a recognised rental company in one of the countries mentioned for his own account. Upon submission of an invoice the Company will indemnify the insured.

The Company's liability will not exceed the same amount that would have been payable per day if the Company had supplied the rental vehicle in the Republic of South Africa.

15 CREDIT SHORTFALL - Only included for vehicles with Comprehensive Cover

If a total loss settlement under sub-section A is less than the amount owing to the financier under a current installment sale or lease agreement the Company will pay to the Insured an additional amount equal to the shortfall less

- (a) any arrears of installments or rentals including interest payable on such arrears;
- (b) all refunds of premium for cancellation of any insurance cover relating to the motor vehicle;
- (c) the increased installments or rentals that would have been paid had there been no residual capital value at; the end of the finance period calculated to the month in which the claim is settled;
- (d) the first amount payable under sub-section A.

provided always that

- (a) the amounts payable shall not exceed the maximum indemnity less the first amount payable under sub-section A;
- (b) this endorsement shall not apply to an agreement whereby the amount of any single installment other than the final residual amount after the initial payment differs by more than 10% from any installment;
- (c) if such short fall is as a result of a re-advance under an installment sale or refinancing in terms of a lease the insurance by this extension.

16 INSURED ONLY DRIVING

The Company shall not be liable under this section (*notwithstanding anything contained herein to the contrary*) if the insured vehicle is being driven by any person other than the Insured.

17 NAMED DRIVERS

The Company shall not be liable under this section (*notwithstanding anything contained herein to the contrary*) if an insured vehicle is being driven by any person other than the Insured or the person(s) named in the schedule.

18 EXCLUDING DRIVING OTHER VEHICLES

The special extension 1 "*Driving of other vehicles*" under sub-section B is cancelled.

19 RESTRICTED DRIVING

The following is added to special condition 2 (iii) Any person under the age of 25 years or by the Insured or any other person with the general knowledge and consent of the Insured who has not had a valid license to drive the vehicle for more than two years and is not disqualified from holding such license.

20 LEGAL USE OF UNLICENSED DRIVERS

When a driving license is not required by law special condition 3 is cancelled.

21 FIRST AMOUNT PAYABLE (SUB-SECTION B)

The first amounts payable as noted in the schedule apply to an insured event under subsection B.

22 INDEMNITY TO EMPLOYER

The Company will indemnify the employer of the Insured (the *employer*) under sub-section B while an insured vehicle is being used by the Insured and/or other employees on the business of the employer provided that:

- (a) such indemnity does not include liability for death or bodily injury to any employee arising out of or in the course of such employment
- (b) the employer is not entitled to indemnity under any other policy
- (c) the employer shall as though he were the Insured observe fulfill and be subject to the terms of this insurance in so far as they can apply.

23 MANUALLY ASSISTED VEHICLES

The Company shall not be liable while any manually assisted vehicle is in motion unless an attendant holding the controls and not riding the vehicle is in charge.

24 SELF-PROPELLED CARAVANS

The words "*accessories or spare parts*" are deleted from the definition of "*insured vehicle*".

25 AGRICULTURAL VEHICLE WARRANTY

It is warranted that the insured vehicle is used solely for agricultural work.

26 VEHICLES NOT CONSTRUCTED FOR GENERAL ROAD USE

The territorial limits for the insured vehicles are restricted to the private premises of the Insured within the territorial limits stated in the schedule except that the vehicle may be used on that part of any road which traverses such premises.

27 FLEETS

When the detail of insured vehicles is limited to the number and category of vehicles insured special condition I and the schedule of the first amounts payable is cancelled and for the purposes of this memorandum only general condition 8 is replaced by:

"8 Adjustment of premium

The Insured shall declare to the Company within 30 days of the expiry of each twelve consecutive months of insurance (calculated from the inception of this policy) or the prior termination of this section the number of vehicles purchased leased or hired and sold or otherwise disposed of during such period of each category of insured vehicle and shall pay or receive premium calculated at 50% of the premium charged for the expired period on the difference between the number of vehicles at the commencement of the period of those declared."

28 LEGAL DEFENCE COSTS

The Company will indemnify the persons stated in the schedule for costs and expenses incurred with the written consent of the Company by such person in the defence of any criminal action brought against him in the course of his duties with the Insured arising out of a claim or claims first being made against the Insured in writing during the period of insurance following contravention of or alleged contravention of the Hazardous Substances Act No 15 of 1973 (*as amended*)

Which shall be read in conjunction with the Criminal Procedure Act No 56 of 1955 (*as amended*) and provided that the Company shall not be liable to

- (a) proceed to or defend an appeal without its prior written consent;
- (b) pay any fine or penalty imposed by any magistrate or judge;
- (b) pay more than R10 000 during any twelve consecutive months of insurance (*calculated from the inception of this policy*).

SASRIA SCO LIMITED

Reg. No. 1979/000287/06

FIRE POLICY FOR SPECIAL RISKS INSURANCE

(IF STATED TO BE INCLUDED IN THE THATCH RISK ACCEPTANCES POLICY SCHEDULE)

In consideration of the prior payment of the premium stated in the Schedule and the receipt thereof by or on behalf of Sasria SCO Limited, (hereinafter called Sasria) and subject to the insurers policy being current and valid at the effective date as stated in the Schedule, Sasria will by payment or at its option by reinstatement or repair indemnify the insured during the Period of Insurance up to an amount not exceeding the total sum insured in respect of each item and not exceeding in the aggregate during the said Period of Insurance, the total insured value, or the aggregate limits of liability as stated in the proviso hereunder, whichever is the less against loss of or damage to the property insured directly related to or caused by:

- (i) 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;
- (ii) 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;
- (iii) any riot, strike or public disorder, or; any act or activity which is calculated or directed to bring about a riot, strike or public disorder;
- (iv) any attempt to perform any act referred to in clause (i), (ii) or (iii) above;
- (v) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause (i), (ii), (iii) or (iv) above.

NOTE:

In this Coupon Policy, the term "Public Disorder" shall be deemed to include civil commotion, labour disturbances or lockouts.

PROVIDED that:

Notwithstanding anything to the contrary, where One Insured is insured by one or more current and valid insurance (other than Contract Works and/or Construction Plant and or Motor) issued by or on behalf of SASRIA, the aggregate liability of SASRIA under all such Insurances shall be limited to the sum of R500 million, during a calendar year where the property insured is in the Republic of South Africa.

For this purpose ONE INSURED shall mean:

Any Single One Insured, or a Holding Company and all its Subsidiaries (as contemplated exclusively by the Companies Act, 1973).

In the case of One Insured other than Companies, Sasria reserves the right to determine who the One Insured is for this purpose.

PROVIDED FURTHER that this insurance does not cover:

- (a) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured, which shall be limited to a period not exceeding that required to render the building tenable;
- (b) loss or damage resulting from total or partial cessation of work, or the retardation or interruption or cessation of any process or operation;
- (c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisitioning by any lawfully constituted authority.
- (d) NUCLEAR/CHEMICAL/BIOLOGICAL TERRORISM EXCLUSION
it is agreed that, regardless of any contributory cause(s), this insurance does not cover loss(es) in any way caused or contributed to by an act of terrorism involving the use or release or the threat thereof of any nuclear weapon or device or chemical or biological agent.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and / or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or personal purposes or reasons including the intention to influence any government and / or to put the public, or any section of the public in fear.

If it is alleged that by reason of this exclusion any loss (es) is not covered by this Coupon / Policy the burden of providing the contrary shall be upon the insured.

SPECIAL CONDITIONS

1. It is a condition precedent to any liability that at the time of the happening of any occurrence given rise to a loss in terms of this Coupon Policy there shall be in force the Nominated Insurer's Policy covering the interest of the Insured in all the property insured by this Coupon Policy against loss or damage by fire.
2. All the terms, conditions, exclusions, exceptions and warranties applicable to the Nominated Insurer's Policy, other than:
 - (a) Exception A(i), A(iii)(b), A(iv), A(v), A(vi) and A(vii) to the extent that A(vii) refers to A(i), A(iii)(b), A(iv), A(v) and A(vi); and
 - (b) the Burden of Proof Clause set out in Exception A to the extent that such Clause refers to the Exceptions listed in (a) above;
 - (c) any excess, deductible or similar payment to be met by the Insured in terms of the Nominated Insurer's Policy;

shall be deemed to be incorporated in this Coupon Policy and shall as a condition precedent to any liability hereunder relate to and be complied with by the Insured accordingly.

Memorandum

The reference to Exceptions A(i), A(iii)(b), A(v), A(vi) and A(vii) and to the Burden of Proof Clause in Exception A is a reference to those Exceptions as they appear in the Standard S.A.I.A. Exceptions which the Nominated Insurer is obliged to incorporate in his Policy. Should the numbering in the Nominated Insurer's Policy not correspond with the numbering of the Standard S.A.I.A. Exceptions the above references shall apply to the corresponding Exceptions in the Nominated Insurer's Policy mutatis mutandis.

3. If the property covered in terms of the attached Schedule shall at the commencement of any destruction of or damage to such property by any peril insured hereby be collectively of greater value than the total sum insured stated herein, then the Insured shall be considered as his own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, shall be separately subject to this consideration.
4. Any adjustment of Premium Clause or Condition in the Nominated Insurer's Policy shall not be applicable to this Coupon Policy.
5. No alteration of this Coupon Policy is valid unless signed by a Director of Sasria
6. Any Reinstatement Value Conditions in the Nominated Insurers Policy shall be applicable to this Coupon Policy except insofar as it relates to Motor Vehicles.
7. The cover granted by this Coupon Policy shall apply to property situated in the Republic of South Africa.

SASRIA SCO LIMITED

Reg. No. 1979/000287/06

MOTOR POLICY OF INSURANCE FOR SPECIAL RISKS in respect of property as defined (IF STATED TO BE INCLUDED IN THE THATCH RISK ACCEPTANCES POLICY SCHEDULE)

THE POLICY

DEFINITIONS

1. Wherever the term "Sasria" is used it shall refer to Sasria SCO Limited.

Wherever the word "property" is used it shall be deemed to mean any motor car or vehicle, trailer, implement or machine of any description for specific operational purpose with or without means of self-propulsion capable of being driven or towed on any road and any accessories or spare parts whilst thereon.

WHEREAS the Insured has paid the premium stated in the Schedule to this Policy (which schedule shall form an integral part of this Policy) to Sasria as consideration for the insurance hereinafter contained in respect of loss or damage occurring during the Period of Insurance stated in the Schedule of this Policy.

NOW this Policy declares subject to the terms, exceptions and conditions contained herein that Sasria will indemnify the Insured against loss of or damage to the property described in the Schedule directly related to or caused by:

- (i) any act (whether on behalf of any organisation, body, 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;
- (ii) 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;
- (iii) any riot, strike or public disorder, or any act of activity which is calculated or directed to bring about a riot, strike or public disorder;
- (iv) any attempt to perform any act referred to in clause (i), (ii) or (iii) above;
- (v) the act of any lawfully established authority in controlling, preventing suppressing or in any other way dealing with any occurrence referred to in clause (i), (ii) (iii) or (iv) above.

Note: In this Policy, the term "Public Disorder" shall be deemed to include civil commotion, labour disturbances or lockouts.

Sasria may at its option repair or replace such property or any part thereof or may pay in cash the amount of the loss or damage not exceeding the reasonable market value of the property insured in the Schedule of this Policy subject always to Condition 8 of this Policy. If the property insured is the subject of a hire purchase or similar agreement and the seller or lessor (hereinafter referred to as the "Owner") is interested in any monies which would be payable to the Insured under this Policy in respect of loss of or damage to the property insured (which loss or damage is not made good by repair or replacement) such monies shall if so requested in writing be paid to the said Owner and/or to the Insured to the extent of their respective interests as long as they are interested in the said property, and their receipt shall be a full discharge of Sasria in respect of such loss or damage. Save as herein expressly provided nothing herein shall modify or affect the rights and liabilities of the Insured or Sasria under or in connection with this Policy or any condition or term thereof.

In the event of any part accessory or fitment of whatsoever nature needed to repair or replace damage to the property insured being unprocurable in the Republic of South Africa, as a standard ready manufactured article or in the event of any such article being denied to the Insured for any reason the liability of Sasria shall be met by the payment of a sum equaling the value of the said article at the time of the loss or damage but not in any case exceeding the manufacturer's last list price operative in the Republic of South Africa.

If the property insured under this Policy is disabled by reason of any loss or damage Sasria will pay the reasonable cost of protection and removal to the nearest repairers. Sasria will also pay the reasonable cost of the delivery to the Insured after repair of such loss or damage not exceeding the reasonable cost of transport to the address of the Insured in the Republic of South Africa.

EXCEPTIONS

This Policy does not cover:

1. Consequential Loss from any cause whatsoever, depreciation of any nature which shall also mean diminution in value howsoever arising of the insured property consequent upon its having sustained damage insured against and continuing after the repair of such damage wear and tear and mechanical or electrical breakdown failure or breakage.
2. Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisitioning by any lawfully constituted authority.
3. 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 any War Damage Insurance and Compensation legislation.
4. Any loss or damage related to or caused by:
 - (i) war, invasion, act or foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - (ii) 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;
 - (iii) the act of any lawfully established authority in controlling, preventing, suppressing, or in any other way dealing with any occurrence referred to in clause (i) or (ii) above.
5. Any claims arising out of any liability assumed by the Insured by agreement, unless such liability would have attached to the Insured in the absence of such agreement.
6. Any loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or consequential loss directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exception only combustion shall include any self-sustaining process of nuclear fission.

The indemnity provided by this Policy shall not apply to nor include any loss, destruction or damage directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

7. NUCLEAR/CHEMICAL/BIOLOGICAL TERRORISM EXCLUSION

it is agreed that, regardless of any contributory cause(s), this insurance does not cover loss(es) in any way caused or contributed to by an act of terrorism involving the use or release or the threat thereof of any nuclear weapon or device or chemical or biological agent.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and / or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or personal purposes or reasons including the intention to influence any government and /or to put the public, or any section of the public in fear.

If it is alleged that by reason of this exclusion any loss(es) is not covered by this Coupon / Policy the burden of providing the contrary shall be upon the insured.

CONDITIONS

1. Claims Procedure

On the happening of any loss or damage the Insured shall as soon as reasonably possible give notice thereof in writing to the NOMINATED INSURER. The Insured shall give to the company all such proofs and information in connection with the claim as may reasonably be required.

2. Subrogation

The Insured shall at the request and at the expense of Sasria do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by Sasria for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which Sasria shall be or would become entitled or subrogated upon its paying for or making good any loss or damage under the Policy, whether such acts or things shall be or become necessary or required before or after the indemnification by Sasria.

3. Contribution

If at the time any claim arises under this Policy there is any other existing insurance covering the same loss or damage Sasria shall not be liable to pay or contribute more than its rateable share of any loss or damage.

4. Precautions

The Insured shall take all reasonable steps to safeguard against loss or damage to the Property described in the Schedule to this Policy.

- 5. Transfer**
Nothing contained in this Policy shall give any rights against Sasria to any person other than the Insured. Sasria shall not be bound by any passing of the interest of the Insured otherwise than by death or operation of law.
- 6. Arbitration**
- (a) If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to Arbitration in accordance with the Arbitration laws for the time being in force in the Republic of South Africa, and at such place as Sasria may determine.
- (b) Where any difference or dispute is in terms of paragraph (a) above to be referred to Arbitration the award of the Arbitrator (s) shall be final and binding and the making of such award shall be a condition precedent to any right of action against Sasria under this Policy.
- 7. Limitation**
In no case whatsoever shall Sasria be liable under this Policy after the expiration of 12 months from the happening of the event unless the claim is then the subject of Arbitration, or Court proceedings already instituted.
- 8. Average**
If the property insured hereby shall at the commencement of any destruction or damage to such property be of greater value than the total value on risk appearing in the Schedule to this Policy in the case of the Motor Dealer or Fleet Owner then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the loss accordingly.
- 9. Total Loss of Property**
If any motor car or other vehicle described in the definition of "property" above be treated as a total loss by Sasria then all cover in terms of this Policy shall terminate in respect of such motor car or vehicle from the date of such total loss and no refund of premium shall be payable to the Insured.
- 10. Premium**
Notwithstanding that the Period of Insurance stated in the Schedule to this Policy may be less than 12 months the minimum premium payable by the Insured shall be the full annual premium.
- 11. Validity**
This Policy shall not be valid unless countersigned by the Nominated Insurer.
- 12. Alteration of Use of Property Insured**
Sasria shall not be liable in respect of any loss of or damage to the property if at the time of such loss or damage the property was being used by the Insured or any person acting with the knowledge of the Insured in any manner which would ordinarily have required the property to be insured in a higher rated category than that used for determining the premium shown in the Schedule.
- 13. Territorial Limitation**
The cover is restricted to property within the Republic of South Africa.
- 14. Cancellation**
This Policy may be cancelled at any time at the request of the Insured but in such cases no refund or pro-rata refund of premium shall become payable.
- 15. Fraud**
If the claim be in any respect fraudulent and if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy and if any destruction or damage be occasioned by the willful act and with any connivance of the Insured, all benefit under this Policy shall be forfeited.
- 16. Misrepresentation**
This Policy shall be voidable in the event of any material misrepresentation, misdescription or non-disclosure.
- 17. Reporting Claims to Authorities**
All events which may give rise to a claim in terms of this policy must be reported to the South African Police as soon as reasonably possible.