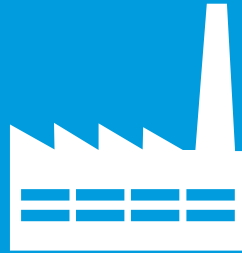


SME Buildings

# Policy Wording



Underwritten by AIG





## Index

### General Terms, Exceptions, Conditions, Definitions and Provisions

Section 1 – Buildings Combined

Section 2 – Electronic Equipment

Section 3 – Money

Section 4 – Glass

Section 5 – Public Liability

Section 6 – Machinery Breakdown

Section 7 – Accidental Damage

Section 8 – Business All Risks

Section 9 – Fidelity Guarantee

Section 10 – Employers Liability

Section 11 – Image Protector

Section 12 – Kidnap and Wrongful Detention



## General Terms, Exceptions, Conditions, Definitions and Provisions

Subject to the terms, Exceptions, Exclusions and Conditions (precedent or otherwise) and in consideration of, and conditional upon, payment of the premium (see Condition 4B) by or on behalf of the Insured named in the Schedule and receipt thereof by or on behalf of AIG South Africa Limited (hereinafter referred to as the Company), the Company agrees to indemnify 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 up to the Declared Value, Limits of Indemnity and other amounts specified. Any proposals or other information supplied by or on behalf of the Insured shall form the basis of this contract of insurance.

Specific terms, Exceptions, Exclusions, Conditions and Provisions shall override General terms, Exceptions, Exclusions, Conditions and Provisions. If the Insured is not insured in terms of any section of this Policy, that section shall not be used in order to interpret the applicable section of this Policy.

If a Defined Event occurs that results in loss or damage which could, but for this Provision entitle the Insured to an indemnity under more than one Provision of this Policy for the same loss, the Insured shall only be entitled to an indemnity under one such Provision and the Insured may elect under which Provision to claim but the Insured will be bound by that election.



## Definitions

The following definitions are incorporated into this Policy and shall apply where the Property Insured forms part of a Scheme:

(a) Act

The term the Act shall mean the Sectional Titles Act, Act no. 95 of 1986, as amended by the Sectional Titles Amendment Act, Act No. 63 of 1991, and any subsequent amendments and the regulations promulgated under the said Act.

(b) Bodily Injury

The term Bodily Injury shall mean death, injury, sickness or disease or death sustained by a person resulting from such injury, sickness or disease and shall include mental injury, mental anguish and shock.

(c) Body Corporate

The term Body Corporate shall mean the body corporate of the Scheme established in terms of section 36 (1) of the Act to perform the functions entrusted to it by or under the Act, which include (amongst others) to insure the building or buildings forming part of the Scheme and keep it or them insured to the replacement value thereof against fire and such other risks as may be prescribed.

(d) Building Owner

The term Building Owner shall mean the registered owner of the Insured Property, but shall exclude a Unit Owner.

(e) Business

The term Business shall mean in relation to the Body Corporate the business conducted by the Body Corporate relating to the enforcement of the Rules, and the control, administration and management of the Common Property as contemplated in the Act and in relation to a Building Owner the term Business shall refer to the occupation of the Insured Property.

(f) Common Property

The term Common Property shall mean that part of the Property Insured described as such on the Sectional Plan referred to in the Schedule and supplied to the Company.

(g) Employee

The term Employees shall mean all employees of the Body Corporate or the Building Owner whose activities the Body Corporate or the Building Owner has absolute control over, but not including employees of any administrators or contractors.

(h) Insured

The term Insured shall mean the persons and entities described in the Schedule as the Insured.

(i) Limits of indemnity

The term Limits of Indemnity shall mean the Limits of Indemnity as stipulated in the Schedule.

(j) Members

Wherever the word "director" is used it is deemed to include "member" if the Insured is a close corporation.

(k) Money

Money for the purposes of this Policy shall mean cash, bank and currency notes and coins, cheques, postal orders, money orders, current negotiable postage, revenue and other stamps, credit card vouchers



## AIG SME Buildings Policy

and documents, certificates or other instruments of a negotiable nature which constitute the property of the Body Corporate or the Building Owner in their capacity as such.

(l) Participation Quota

The term Participation Quota shall mean in relation to a Section or the Unit Owner of a Section, the percentage determined in accordance with the Act in respect of that Section shown on the Sectional Plan referred to in the Schedule and supplied to the Company.

(m) Period of Insurance

The term Period of Insurance shall mean the period for which you have cover as stated in the Schedule and any additional period for which we agree to accept an additional premium.

(n) Personal Injury

Personal Injury includes Bodily Injury, false arrest, invasion of the right of privacy, detention, false imprisonment, false eviction, discrimination, libel slander or defamation of character.

(o) Property Damage

Property Damage means physical damage to, loss of use or destruction of tangible property.

(p) Property Insured

The term Property Insured in relation to a Scheme shall mean the office assets of the Body Corporate, any other movable assets for which the Trustees are responsible and utilised on behalf of the Body Corporate (limited to R20,000 in all), the residential buildings and the commercial buildings of a permanent nature forming part of the Scheme and shown on the Section Plan including all outbuildings thereto (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise stated in the Schedule) and the Common Property. In respect of sporting and recreational structures, walls (except dam walls), gates, posts, fences, and tarred or paved roads, driveways, paths or parking areas will also be Property Insured either as part of the Unit of the Unit Owner or as part of the Common Property.

The term Property Insured in relation to any other Property Insured means the buildings including all outbuildings thereto (constructed of brick, stone, concrete and metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise stated in the Schedule) and sporting and recreational structures, landlords fixtures and fittings therein and thereon, walls (except dam walls), gates, posts and fences, tarred or paved roads, driveways, paths or parking areas, borehole and point equipment and extinguishing equipment. In respect of sporting and recreational structures, walls (except dam walls), gates, posts, fences, and tarred or paved roads, driveways, paths or parking areas will also be Property Insured.

(q) Rules

The terms Rules shall mean the management rules and conduct rules referred to in section 35 (2) of the Act for the control, management, administration, use and enjoyment of the sections and common property, as amended from time to time.

(r) Section

The term Section shall mean a section shown as such on a Sectional Plan.



## AIG SME Buildings Policy

(s) Sectional Plan

The term Section Plan shall mean in relation to the Scheme the plan approved by the Surveyor General which is described as a section plan; which shows the building or buildings and the land comprised in the Scheme, as divided into two or more Sections and Common Property; and which complies with the requirements of the Act.

(t) Scheme

The term Scheme shall mean the development scheme as applicable to the Business.

(u) Trustees

The terms Trustees shall mean the elected trustees performing and exercising the functions and powers of the Body Corporate from time to time.

(v) Unit

The term Unit shall mean a Section together with its undivided share in Common Property apportioned to that Section in accordance with the quota of the Section.

(w) Unit Owner

The term Unit Owner shall mean the registered owner of a Unit.

(x) VAT

The term VAT shall mean Value-Added Tax as contemplated in the Value-Added Tax Act.

## 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 any act or activity which is calculated or directed to bring about any of the 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 clauses A (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 clauses A (i), (ii), (iii), (iv),(v) or (vi) above.

If the Company alleges that, by reason of clauses A (i), (ii), (iii), (iv), (v), (vi) or (vii) of this General 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.

### 2. Computer Virus and External Networks exceptions

This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data caused by or arising out of a Computer Virus or the failure of an External Network or loss of use, reduction in functionality, cost or expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Electronic Data means data, facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes and software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Computer Virus means a set of corrupting, harmful or otherwise unauthorized instructions or code including



a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

Failure of an External Network means failure of some or all services provided by an internet or other service provider, or telecommunications provider outside a radius of 150 metres from the insured location specified in the Schedule of this Policy.

### 3. Date Recognition Exception

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 or failure of any computer, correctly or at all
    - (i) to treat any date as the correct date or true calendar date, or correctly or appropriately to recognise, manipulate, interpret, process, store, receive or to respond to any date 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 the 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
- It is further understood that the Company will not pay for the repair or modification of any part of an Electronic Data processing system or its related equipment, to correct deficiencies or features of logic or operation.

It is further understood that the Company will not pay for the damage or consequential loss arising from the failure, inadequacy or malfunction of any advise, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Insured or for the Insured or by others to determine, rectify or test any potential or actual failure, malfunction or inadequacy described herein.

Such damage or consequential loss described herein is excluded regardless of any other cause that contributed concurrently or in any other sequence.

This General Exception shall not exclude subsequent damage or consequential loss, not otherwise excluded which itself results from a fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight or snow. 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.

#### 4. Asbestos Exception

Notwithstanding any provision of this Policy including any Exclusion, Exception or Extension or other Provision which would otherwise override a 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 anyway involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

#### 5. Silica Exception

Notwithstanding any Provision of this Policy including any Exclusion, Exception or Extension or other Provision which would otherwise override a 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 anyway involving, or to the extent contributed to, in whole or in part, by or arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form, or to any obligation of the Insured to indemnify any party because of Bodily Injury or Property Damage arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form.

#### 6. Nuclear Exception

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 General Exception only, combustion shall include any self-sustaining process of nuclear fission.

#### 7. Pollution and Contamination Exception

This Policy does not cover

##### A. Property Damage

Loss or destruction or damage caused by pollution or contamination, but this General Exception shall not exclude destruction of or damage to the Property Insured, not otherwise excluded, caused by:

- (a) pollution or contamination which itself results from a Defined Event;
- (b) a Defined Event which itself results from pollution or contamination.



### B. Consequential Loss

Loss resulting from pollution or contamination but this shall not exclude loss resulting from destruction of damage to property used by the Insured at the Property Insured for the purpose of the Business, not otherwise excluded, caused by:

- (a) pollution or contamination which itself results from a Defined Event
- (b) a Defined Event which itself results from pollution or contamination

### 8. Terrorism Exception

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 this General Exception 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 purposes of inspiring fear in the public or any section thereof.

If the Company alleges that, by reason of this General Exception, loss or damage is not covered by this Policy, the burden of proving the contrary shall rest on the Insured.



## General Terms and Conditions

### 1. Misrepresentation, Misdescription and Non-disclosure

Misrepresentation, misdescription or non-disclosure which is likely to materially affect the assessment of the risk shall at the Company's sole discretion entitle the Company to reject the claim and or cancel the Policy or to render voidable the entire Policy or the particular item, section of this Policy, affected by such misrepresentation, misdescription or non-disclosure.

### 2. Alterations

The Company shall have the option to reject a claim and or to cancel this Policy (including retrospective cancellation) as a whole or the relevant section of this Policy from the date of any alteration or breach referred to hereunder if:

- (a) if there is alteration after commencement of this Policy;
  - (i) whereby the interest of the Insured in any of the Property Insured ceases unless such alteration has been agreed to by the Company;
  - (ii) whereby the risk of accident, loss or damage is increased unless such alteration has been agreed to by the Company;
- (b) the Insured breaches any Warranty, Condition, Term or other Provision or any applied term.

### 3. Other Insurance

If, at the time of any event giving rise to a claim under this Policy, an insurance exists with any other insurers covering the Insured against the Defined Events, the Company shall be liable to make good only a rateable proportion of the amount payable by or to the Insured in respect of such event whether the Insured is paid under such other insurance or not. If any such other insurance is subject to any Condition of Average, this Policy, if not already subject to any Condition of Average, shall be subject to average in like manner.

### 4. A. Cancellation

This Policy or any section may be cancelled at any time by the Company giving 30 days' notice in writing (or such other period as may be mutually agreed) or by the Insured giving immediate notice. On cancellation by the Insured, the Company shall be entitled to retain the customary short period or minimum premium for the period the Policy or section has been in force. On cancellation by the Company, the Insured shall be entitled to claim a pro-rata proportion of the premium for the remainder of the Period of Insurance from the date of cancellation.

### B. Continuation of Cover (where premium is payable by bank debit order or by transmission account)

If the premium for this Policy is to be paid monthly, this Policy is valid for one month only upon the receipt by the Company of the premium. The premium for this Policy is to be received by the Company, via a bank debit order, or whatever debit system utilised by the Company, on the first day of every calendar month.

No insurance will be provided unless the first month's premium is received by the Company by the first day of the month when this Policy incepts. Should after the first month of cover premium is not received by the Company by the first of any subsequent month the insurances will continue for a maximum period of 15 calendar days. This provision is required by statute and is subject to the following:



## AIG SME Buildings Policy

- (a) Should the premium not be received by the Company within this 15 calendar day grace period it is agreed between the Insured and the Company that the Company may process a double premium debit on the first of the following month.
- (b) Should the Company receive only a single premium payment, for whatever reason, this single premium payment will be used by the Company to settle the oldest premium debt owing to the Company.
- (c) Should the Company receive only a single premium payment, for whatever reason, for two consecutive months the Company has the option to terminate this Policy without having to give the Insured written notice. Cover will therefore terminate at the end of the calendar month for which the Company has received the premium, being the month past.
- (d) Should the Company not receive any premium, whether due to a single or double debit order against the Insured's banking account or whatever debit system utilised by the Company, then all cover in terms of this Policy shall cease from the end of the calendar month for which the Company have received premium.

If during the grace period of 15 days or the entire month for which premium has not been paid by the Insured, the Insured suffers a valid claim in terms of this Policy the Company agrees to process the valid claim and have the right to settle the valid claim after deducting any unpaid premiums from the net amount payable in respect of the valid claim.

### 5. Prevention of loss

The Insured shall take all reasonable steps and precautions to prevent accidents or losses.

### 6. Claims

- (a) On the happening of any event which may result in a claim under this Policy the Insured shall, at their own expense
  - (i) give notice thereof to the Company within 60 days from the date of loss and provide particulars of any other insurance covering such events as are hereby insured
  - (ii) as soon as practicable after the event submit to the Company full details in writing of any claim
  - (iii) give the Company such proofs, information and sworn declarations as the Company may require and forward to the Company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the Insured in connection with the event giving rise to the claim.

This requirement shall be deemed to have been complied with if the information required in terms thereof is given, within the time required, to a loss adjuster appointed by the Company.
  - (iv) as soon as practicable after the event inform the police of any claim involving theft or (if required by the Company) loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property.
  - (v) co-operate with the Company or their nominees in minimizing the loss or damage.
- (b) Save where a different period is provided under any section of this Policy no claim shall be payable after the expiry of 24 months or such further time as the Company may allow from the happening of



any event unless the claim is the subject of pending legal action or is a claim in respect of the Insured's legal liability to a third party.

- (c) Where the Company has made any decision as to the repudiation of any claim under this Policy or section herein or as regards the quantum of a claim which is in dispute, the Insured may within a period of not less than 90 days after the date of the relevant decision make representation to the Company in respect of such decision. The 90 days referred to will not be included in any calculation of the time barring periods contained in this Policy for the institution of legal action. No claim shall be payable unless the Insured claims payment by sending legal process on the Company within 12 months of the rejection of the claim in writing and pursues such proceedings to finality. The calculation of the 12 months shall exclude the 90 days referred to herein.
- (d) No claim shall be payable if General Conditions 6 (a) or (b) have not been complied with in every respect and in the event of non-compliance, any payment on account already made shall be repaid to the Company without delay.
- (e) The Insured will render all reasonable assistance to the Company when the Company enforces its subrogated rights of recovery. In addition if, after the payment of a claim in terms of this Policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the Insured shall render all assistance in the identification and physical recovery of such property if called on to do so by the Company, provided that the Insured's reasonable expenses in rendering such assistance shall be reimbursed by the Company. Should the Insured fail to render assistance in terms of this Condition when called upon to do so, the Insured shall immediately become liable to repay to the Company all amounts paid in respect of the claim.

### 7. Company's rights after an event

- (a) On the happening of any event in respect of which a claim is or may be made under this Policy, the Company and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the Company to rely upon any Conditions of this Policy,
  - (i) take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This Condition shall be evidence of the leave and license of the Insured to the Company to do so. The Insured shall not be entitled to abandon any property to the Company whether taken possession of by the Company or not
  - (ii) take over and conduct in the name of the Insured the defence or settlement of any claim and prosecute in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the Insured without the written consent of the Company (which consent shall not unreasonably be withheld).
- (b) The Insured shall, at the expense of the Company, do and permit to be done all such things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights to which the Company shall be, or would become, subrogated upon indemnification of the Insured whether such things shall be required before or after such indemnification.



- (c) In respect of any section of this Policy under which an indemnity is provided for liability to third parties, the Company may, upon the happening of any event, pay to the Insured the Limit of Indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the Company shall thereafter not be under further liability in respect of such event, except for the payment of costs and expenses for which provision is made and which relates to matters prior to the date of payment.

### 8. Fraud

- (a) The Insured must act with good faith in respect of all matters relating to this Policy and claims in terms hereof. Without limitation, the Insured must ensure that any person acting on behalf of anyone who is entitled to claim in terms of this Policy, does not:
- (i) submit a claim, or any information relating to a claim, that is in any way fraudulent or dishonest; or
  - (ii) for any reason, whether fraudulently or otherwise, exaggerate the amount of a claim or any information relating to a claim; or
  - (iii) use any fraudulent or dishonest means to obtain a benefit under this Policy; or
  - (iv) submit a claim for any event caused by the intentional act or with the connivance of the Insured or any other person.
- (b) If any of the circumstances in (a) exist, then the Company may in its sole discretion (without prejudice to any of its rights in terms of this insurance contract or the law):
- (i) refuse to pay the claim or any part of it; and / or
  - (ii) cancel the Policy immediately and keep all premiums paid and demand payment of all outstanding premiums (whether or not they are due for payment); and / or
  - (iii) institute legal proceedings against the Insured for any damages that the Company may have suffered; and / or
  - (iv) give any credit bureau or risk management concern, information provider or any other insurer full details of the alleged circumstances.
- (c) If any of the circumstances in (a) exist under any section of this Policy, then any claim under any other section of this Policy shall be subject to forfeiture at the instance of the Company, whether it is a prior claim, a current claim or a future claim.

### 9. Reinstatement of cover after loss

In consideration of Sums Insured not being reduced where appropriate by the amount of any loss, the Insured shall pay additional premium on the amount of the loss from the date thereof or from the date of reinstatement or replacement (whichever is the later) to expiry of the Period of Insurance

### 10. Breach of conditions

- (a) Compliance by the Insured with the Terms, Conditions and the Provisions of this Policy are conditions precedent to the Company's liability under this Policy and the Company shall have no liability to the Insured in respect of any claim where the Insured has breached any of the Terms, Conditions and Provisions of this Policy.



Alternatively

(b) Any breach of the Terms, Conditions and the Provisions of this Policy by the Insured shall entitle the Company to void that particular section. The Terms, Conditions and Provisions of this Policy shall save with regard to fraud as stated in General Condition 8 herein, shall apply individually to each of the risks insured and not collectively to them so that any breach shall render voidable the relevant section only in respect of the risk to which the relevant breach applies.

The enforcement of either of the two alternatives listed above will be at the sole discretion of the Company.

### 11. No rights to other persons

Unless otherwise provided, nothing in this Policy shall give any rights to any person other than the Insured. Any extension providing indemnity to any person other than the Insured shall not give any rights of claim to such person, the intention being that the Insured shall claim on behalf of such person. The receipt of the Insured shall in every case be a full discharge to the Company.

### 12. Jurisdiction

This Policy is subject to the laws of the Republic of South Africa whose Courts shall have 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 unless otherwise allowed by the Company.

### 13. Recoveries

Should the Insured incur any liability under this Policy which exceeds the Limit of Indemnity payable herein, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or effected by the Company or for the amount of any Deductible payable by whomsoever made on account of such loss until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the Company.

### 14. Declared Value (Day one non adjustable basis)

This General Condition shall apply to :

1. The Insured having stated in writing the Declared Value incorporated in each item to which this Policy applies, the premium has been calculated accordingly.

Declared Value shall mean

the Insured's assessment of the cost of reinstatement of the Property Insured arrived at in accordance with the first paragraph of the Reinstatement Value Conditions at the level of costs applying at the inception of each Period of Insurance (ignoring inflationary factors which may operate subsequently to the assessment of the Declared Value) together with, in so far as this Policy provides, due allowance for:

- (a) the additional cost of reinstatement to comply with public authority requirements (as stated herein);
- (b) professional fees (as stated herein);
- (c) debris removal costs (as stated herein);

2. At the inception of each Period of Insurance the Insured shall notify the Company of the Declared Value of the Property Insured in terms of this Policy. In the absence of such declaration the last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance.



3. Notwithstanding any general condition or endorsement to the contrary, the following wording applies to the Reinstatement Value Conditions. Each item insured under these conditions is declared to be separately subject to the following condition of average, namely:  
If, at the time of damage, the Declared Value of the property covered by such item be less than the cost of reinstatement (as defined in paragraph 1 above) at the inception of the Period of Insurance, then the Company's liability for any loss hereby insured shall be limited to that proportion thereof which the Declared Value bears to such cost of reinstatement. The following special Memorandum is added to the Reinstatement Value Conditions:  
Special Memorandum  
Where, by reason of any of these conditions, no payment is to be made beyond the amount which would have been payable under the Policy if this extension had not been incorporated therein, the rights and liabilities of the Company and the Insured in respect of the destruction or damage shall be subject to the terms and conditions of the Policy including any condition of average therein, as if this extension had not been incorporated therein, except that the total amount payable shall be limited to a maximum of the percentage of the Declared Value shown in the Schedule.
4. In the event of loss, the liability of the Company in respect of property to which this extension applies shall not exceed the Sums Insured stated in the Schedule.
5. If this section of the Policy is subject to a capital additions clause, then such clause is deleted and replaced by the following: The insurance hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the Sums Insured) to property specified herein (other than stocks) for an amount not exceeding ten percent of such Sums Insured, it being understood that the Insured undertakes to advise the Company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

### 15. Average

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

### 16. Value Added Tax Definition

VAT shall mean the amount of value added tax as contemplated in the Value Tax Act, 89 of 1991 payable by the Insured or the Company to the Revenue authorities in the Republic of South Africa at the ruling rate.

#### Vat Inclusive Condition

It is understood and agreed that the monetary amounts as reflected in the Sums Insured and/or Limits of Indemnity shall be applied to:

- a) The indemnity or amounts payable in terms of this Policy and to which sums the terms, provisions, conditions and limitations of this Policy shall apply; and
- b) VAT at the current rate as promulgated in legislation relating thereto.

Subject to such Sums Insured/Limits of Indemnity being adequate to embrace the amounts reflected under (a) and (b) above, the Company will, to the extent that the Insured is accountable to the tax





## AIG SME Buildings Policy

authorities for VAT in respect of any payment in terms of this Policy, include the amount of such tax in the final settlement of any claims in terms of the Policy, provided that the total amount payable for any Defined Event and VAT related thereto shall not exceed the Sum Insured/Limit of Indemnity set against such Defined Event.

In circumstances referred to herein under which the Insured is required to bear the first amount of any loss (the deductible), such amount shall also be inclusive of VAT in like manner to the Sum Insured/Limit of Indemnity referred to above.

Further, in the event of a change in the rate of VAT during the Period of Insurance, Sums Insured, and if appropriate, premiums, shall be adjusted accordingly.

### 17. Sharing of Information

In order to combat insurance fraud and evaluate and properly underwrite risks, the South African Insurance Association (SAIA) has created a shared database for storing insurance information. Information sharing will contribute significantly to limiting insurance fraud and to assess risks fairly, thus protecting the interests of all policyholders. This provision permits the Company to store the Insured's information in the shared database and to verify any underwriting information against legally recognised sources of databases. The Insured's right to privacy is a fundamental right that is included in the South African constitution.

This right can, however, be restricted in certain circumstances. The circumstances include cases where both parties revealing the information and the parties who are privy to it have a legal interest in that information. This means that in terms of South African law, the Company may reveal and / or receive information if the Company intends using it to prevent fraud and to underwrite risks fairly.

#### The Insured's Authorisation

The Insured acknowledges that the sharing of information for underwriting and claims purposes (including credit information) between insurers is in the public interest as it enables insurers to underwrite policies and assess risks fairly and to reduce the incidence of fraudulent claims with a view to limiting premiums.

On the Insured's behalf and on behalf of any person the Insured represents herein, the Insured hereby waives any right to privacy with regard to any underwriting and claims information (including credit information) that the Insured provides or that is provided by another person on the Insured's behalf in respect of any insurance policy or claim made or lodged by the Insured.

The Insured acknowledges that the insurance information provided by the Insured may be stored in the shared database and used as set out above as well as for any decision pertaining to the continuance of the Insured's Policy or the meeting of any claim the Insured may submit. The Insured consents to such information being disclosed to any other insurance company or its agents. The Insured acknowledges that the information may be verified against legally recognised sources or databases.

### 18. Holding Covered

If the Company is holding covered on a risk it will not reject a claim on the basis that the premium has not been agreed. This condition applies to new Schemes awaiting registration



## AIG SME Buildings Policy

### 19. Economic Sanctions Exclusions

If, by virtue of any law or regulation which is applicable to an Insurer, its parent company or its ultimate controlling entity, at the inception of this Policy or at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an applicable embargo or sanction, that Insurer shall provide no coverage and have no liability whatsoever nor provide any defense to the Insured or make any payment of defense costs or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such embargo or sanction.

### 20. Territorial Limits

Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi unless otherwise stated in any section of the Policy.



## General Provisions

### (A) Claims Preparation Costs

The insurance by each section of this Policy is extended to include costs reasonably incurred by the Insured in producing and certifying any particulars or details required by the Company in terms of General Condition 6 or to substantiate the amount of any claim, provided that the liability of the Company for such costs in respect of any one claim shall not exceed R50 000, plus any amount stated in the Schedule to each section against an item for Additional Claim Preparation Costs.

### (B) Additional Claims Preparation Costs

Notwithstanding the limits stated under General Provisions (A) Claims Preparation Costs, this provision extends to cover additional Claims Costs incurred up to the amount stated in the Schedule.

### (C) Payments on Account

In respect of any section where amounts recoverable from the Company are delayed pending finalisation of any claim, payments on account may be made to the Insured, if required, at the discretion of the Company.

### (D) Deductible

Except where provided for specifically in any section, the amount payable under this Policy/section for each and every loss, damage or liability shall be reduced by the Deductible shown in the Schedule for the applicable Defined Event and is not otherwise insured.

### (E) Meaning of Words

The Schedules and any endorsements thereto and the Policy wording shall be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning wherever it may appear.

### (F) Premium Payment

Premium is payable on or before the expiry of the 15 days grace period after inception date or renewal date as the case may be and subject to the requirements as set out in General Condition 4(B).

The Company shall not be obliged to accept premium tendered to it after the 15 days period of grace following the 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.

### (G) Schedule Sums Insured or Limit of Indemnity Blank

If, in a Schedule of this Policy, the Sum Insured or Limit of Indemnity is:

- (i) left blank or has no monetary amount stipulated against it
- (ii) reflected as nil or not applicable or not covered or no indemnity extended
- (iii) or anything similar

this means the Defined Event or circumstance shown in the Schedule is not insured by this Policy.

If there is no Schedule accompanying this Policy, it will likewise mean that no cover is afforded under this Policy.

### (H) Security Firms

If an employee of a security firm employed by the Insured under a contract causes loss or damage, the Company agrees, if in terms of the said contract the Insured may not claim against the said security firm, not to exercise their rights of recourse against the said security firm. The Company shall not raise as



a defence to any valid claim submitted under any section of this Policy that the Company's rights have been prejudiced by the terms of any contract entered into between the Insured and any security provider relating to the protection of the Property Insured.

This clause will only be operative where an Insured is the Body Corporate or the Trustee acting on behalf of the Body Corporate or a Building Owner.

**(I) Alteration**

No change in or modification of this Policy will be effective unless made by writing endorsement signed by an authorised representative of the Company.

**(J) Escalation (Buildings Combined Section)**

During each Period of Insurance the Declared Value shall be increased by the annual percentage stated in the Schedule progressively on a monthly basis so that at the expiry of each Period of Insurance the Declared Value shall be the amount declared by the Insured plus the percentage stated in the Schedule. Therefore the maximum amount that the Company shall be liable for shall not exceed the Declared Value plus the percentage stated in the Schedule progressively increased monthly to the date of the Defined Event causing the loss or damage or destruction.

**(K) Arbitration**

If any difference shall arise as to the amount to be paid (liability being otherwise admitted) such differences may be referred to an arbitrator, by written agreement between the parties, such arbitrator to be appointed by the parties in accordance with the statutory provisions in that regard for the time being in force. Where any differences are by this condition referred to arbitration the making of an award shall be a condition precedent to any right of action against the Company.

**(L) 72 Hour Occurrence**

Notwithstanding anything to the contrary it is understood and agreed that all loss or damage to the Property Insured occurring during anyone period of 72 consecutive hours during the Period of Insurance and caused by: hurricane, windstorm, rainstorm, hailstorm, tornado, earthquake, seaquake, tidal wave or volcanic eruption shall be deemed to have been caused by a single event and therefore to constitute one loss for the purpose of this Policy unless such event is specifically excluded from this Policy.

Such event shall be deemed to commence from the actual time of the very first loss or damage suffered and continue for all events within the 72 consecutive hour period. The Insured shall advise the Company of the actual time that the first loss or damage was suffered. Should the Insured be unable to ascertain the actual time the loss or damage first occurred the Company reserves the right to determine the start time of the loss or damage suffered.

This General Provision shall not be used in respect of determining the application of any Deductible applying in this Policy. An event, which continues uninterrupted for a period exceeding 72 consecutive hours shall not, however, be regarded as more than one occurrence for the purpose of the application of any Deductible.

The Company shall not be liable, however, for any loss or damage occurring before the inception of this Policy nor for any loss or damage that may extend after expiry of this Policy. The Company shall only be liable for loss or damage actually suffered by the Insured during the actual currency of this Policy.



## AIG SME Buildings Policy

**(M) Post Loss Inflation (Buildings Combined Section)**

If following loss or damage by a Defined Event the Insured selects to have the Property Insured reinstated, in terms of the Reinstatement Value Conditions and the Declared Value being adequate to allow for such reinstatement, the costs of reinstatement inflates beyond the awarded contract value, the Company agrees to allow for this inflation amount providing the limit of the Company's liability shall not exceed the percentage stated in the Schedule, calculated on the value of the awarded contract to reinstate the Property Insured.

**(N) Definitions Applicable to this Policy**

The definitions listed shall apply as set out in the wording.

## Section 1 – Buildings Combined

### Defined events

Damage to the whole or part of the Property Insured as described herein, including alterations to the Property Insured as permitted by the Body Corporate or the Building Owner by:

Loss of or damage to the Property Insured by:

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow other than
  - a) That arising from its undergoing any process necessarily involving the use or application of water
  - b) Wear and tear or gradual deterioration
  - c) Loss or damage to retaining walls up to a limit of R1,000,000
  - d) Loss or damage caused or aggravated by the Insured's failure to take all reasonable precautions for the maintenance and safety of the Property Insured and for the minimisation of any destruction or damage.
3. Earthquake
4. Aircraft and other aerial devices or articles dropped there from.
5. Impact by a meteorite, animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes, vehicles or property in or on such vehicles.
6. Theft (or any attempt thereat) is limited to R250,000 if accompanied by forcible and violent entry into or exit from the Property Insured or as a result of theft, following violence or threat of violence. If any immovable Property Insured which contains movable Property Insured becomes unoccupied for 30 consecutive days, cover in relation to movable Property Insured is suspended as regards the Property Insured affected, unless the Insured before the occurrence of damage obtains the written agreement of the Company to continue this Extension. During the period of the initial unoccupancy of 30 consecutive days the Insured shall become a co-insurer with the Company and shall bear a rateable proportion of any damage equal to 20% of the claim before deduction of any Deductible.

Theft not accompanied by forcible and violent entry into or exit from the Property Insured is restricted to R20,000. This excludes any theft or attempted theft by any person visiting the Property Insured with the consent of the Unit or Building Owner including any of the said Unit or Building Owner's spouse, children and other persons normally residing with them in the Unit or building
7. Accidental damage to or breakage of glass or sanitary ware, such as fixed glass in windows, doors, fanlights, skylights, greenhouses, conservatories and verandas, fixed wash-basins, pedestals, sinks, lavatory pans, splash backs and cisterns. But the amount payable will be reduced by R1,000 for each and every such claim.
8. Accidental breakage or collapse of radio or television aerials, satellite dishes, aerial fittings or masts.
9. Accidental damage including electrical or mechanical breakdown of pumps and machinery for swimming pools, boreholes, sauna, spa baths, automatic gates and garage doors installed at the Property Insured. The Company's liability is limited to R25,000 per any one event.
10. Sudden and unforeseen bursting, overflowing or escape of water or oil from tanks, apparatus or pipes including any fixed water or oil-fired heating installation including loss or damage to such tanks, apparatus (other than an electric geyser[s]) or pipes.



## 11. Public Supply Connections

Accidental damage to water, sewerage, gas, electricity and telecommunication connections the property of the Insured or for which they are legally responsible, between the Property Insured and the public supply or mains. The Company shall indemnify the Insured for the reasonable costs incurred.

## 12. Rent

Loss of rent/levies as a result of any part of the Property Insured being so damaged by any of the Defined Events applicable as to be rendered untenable (including partially untenable) or until re-let but only for the period necessary for reinstatement and for an amount not exceeding 30% of the Declared Value on the affected Property Insured. The basis of calculation shall be the rent payable immediately preceding the damage or its equivalent in rental value.

Where the Unit or Building Owner is also the occupier of any part of the Property Insured being so damaged by any of the Defined Events applicable as to be rendered untenable the Company shall indemnify the Insured in respect of the reasonable cost of equivalent alternative accommodation up to a limit of 30% of the Declared Value of the affected Property Insured. The indemnity period shall be limited to the period necessary for the reinstatement of the affected Property Insured. The basis of calculation shall be the rental value of the affected Property Insured, as assessed by the Company, immediately preceding the damage.

In the event of damage to the Property Insured other than buildings occupied as residential flats/offices only (including such buildings partially occupied by shops) the cover hereunder shall cease on completion of reinstatement of damage.

## Limit of Indemnity

The Company shall not be liable for any amount exceeding the Declared Value plus any amount insured in terms of the Escalation and Inflation Provision.

## Specific Exceptions

1. The Company shall not indemnify the Insured for loss or damage arising from:
  - (i) More than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair set or collection.
  - (ii) Detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process.
  - (iii) Unexplained disappearance or shortage only revealed during or after an inventory or error or omissions in receipts, payments or accounting or misfiling or misplacing of information.
  - (iv) Loss of or damage to Property Insured caused by:
    - Overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure;
    - Breakdown, electrical/electronic and/or mechanical derangement;
    - Altering, bleeding, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;

- Fault or defect in its design formula specification drawing plan materials workmanship or professional advice normal maintenance gradual deterioration depreciation corrosion rust oxidation or other chemical action or reaction frost change in temperature expansion or humidity fermentation or germination dampness dryness wet or dry rot shrinkage evaporation loss of weight contamination pollution discoloration, change in texture or finish or its own wear and tear;
  - Denting, chipping, scratching or cracking not effecting the operation of the item;
  - Wear and tear, gradual deterioration, termites ,moths' insects' vermin inherent vice fumes flaws latent defect fluctuations in atmosphere or climatic conditions the action of light;
- (v) Settlement or bedding down, ground heave, collapse or cracking of structures or the removal of weakening of support to any Property Insured.
- (vi) Leakage of liquid or gas from the receptacle in which it is contained.
- (vii) Failure of and/or the deliberate withholding and/or lack of supplies of water gas electricity fuel.
- (viii) Corrosion, erosion, deposit or scale, sludge or other sediment.
- (ix) Chemical action or reaction or rust.
- (x) Mildew, damp, a rise in the underground water table, rising damp, rust, corrosion or rot.
- (xi) Domestic pets.
2. The Company shall not be liable for any costs or exploratory research undertaken unless the results thereof satisfies the Company that the loss or damage suffered is in terms of the Defined Events insured herein.

## Clauses and Extensions

### 1. Subsidence and Landslip Extension

Damage caused by subsidence or landslip

provided that the Insured shall bear the first portion of each and every claim up to an amount calculated at 1% of the Declared Value on the affected Property Insured or R2,500 whichever is the greater or the amount stated in the Schedule.

**This Extension does not cover**

1. damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured
2. damage caused by or attributable to
  - (a) faulty design or construction of, or the removal or weakening of support to, any building situated at the Property Insured
  - (b) workmen engaged in making any structural alterations, additions or repairs to any building situated at the Property Insured
  - (c) excavation on or under land other than excavations in the course of mining operations
3. consequential loss of any kind whatsoever except loss of rent
4. normal settlement, shrinkage or expansion of the building
5. active soils , except where professional engineering design precautions have been implemented during construction





6. the densification of made up ground or infill or by inadequate compaction of filling
7. damage caused from a cause which existed prior to the commencement of the Policy
8. solid floor slabs or any other part of the building resulting from the movement of such slabs, unless the foundations supporting the external walls of the building are damaged by the same cause at the same time
9. work necessary to prevent further destruction or damage due to subsidence or landslip except where appropriate design precautions were implemented during the original construction of the building and any subsequent additions thereto.

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

#### **Definitions**

- a) Subsidence: The downward movement of a site on which buildings may or may not stand, from causes unconnected with building (if present)
- b) Landslip: The downward and/or sideways movement of sloping ground resulting from the action of self-weight stresses and imposed loadings exceeding the available strength of the ground.
- c) Settlement: The downward movement of a site due to the application of superimposed loading which is the wholly natural effect of superimposing a load on a site and is predictable.
- d) Active Soils: A soil that changes in volume to varying degrees in response to changes in moisture content.

#### **2. Malicious Damage Extension**

Subject otherwise to the Terms, Conditions, Exclusions, Exceptions and Warranties contained herein, this Policy is extended to cover loss or damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage other than loss or damage to

1. movable property which is
  - (a) stolen;
  - (b) damaged in an attempt to remove it or part of it from the Insured Property.
2. movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of the Insured Property owned or occupied by the Insured.
3. the Insured Property owned or occupied by the Insured occasioned by or through or in consequence of
  - (i) the removal or partial removal or any attempt thereof
  - (ii) the demolition or partial demolition or any attempt thereof provided that this Extension does not cover
    - (a) loss or damage related to or caused by fire or explosion
    - (b) consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured
    - (c) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation



- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
- (e) loss or damage related to or caused by any occurrence referred to in General Exception 1 (A) (i), (ii), (iii), (iv), (v) or (vi) of this Policy or the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any such occurrence.

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

If any building insured or containing the Property Insured becomes unoccupied for 30 consecutive days the insurance in respect of this Extension is suspended as regards the property affected unless the Insured, before the occurrence of any damage obtains the written agreement of the Company to continue this Extension.

During the period of the initial unoccupancy of 30 consecutive days the Insured shall become a co-insurer with the Company and shall bear a proportion of any damage equal to 20% of the claim before deduction of any Deductible.

### 3. Leakage Extension

Damage caused by discharge or leakage from fire extinguishing installations/appliances.

### 4. Geyser Extension

The Company will indemnify the Insured against loss of or damage to the geyser and attachments as defined, directly or indirectly caused by or attributed to or arising from rupturing, rust, decay, cracking, splitting, gradual deterioration, wear and tear, inherent vice or latent defect.

#### Definition of a geyser

The electric or solar powered geyser unit including cylinder, cover, thermostat, element, vacuum breaker(s), safety valve, expansion relief valve, sacrificial anode, drain cock, drip tray(s) and pans, wiring from the element to the isolator switch including the isolator switch.

#### Limit of Indemnity

The liability of the Company under this section shall not exceed R6,000 or the amounts as stated in the Schedule and the Insured shall bear the first portion of each and every claim as stated under the deductible in the Schedule.

#### Deductible

0 to 3 years old	minimum	R500	100%
older than 3 years to 4 years old	25% of replacement cost, minimum	R500	75%
5 to 6 years old	40% of replacement cost, minimum	R500	60%
7 to 8 years old	60% of replacement cost, minimum	R500	40%
9 years and older	75% of replacement cost, minimum	R500	25%
Non-SABS approved geysers	minimum	R2,500	100%



## **Geyser Repairs**

This section is extended to include cover for repairs to geysers and components as defined above subject to a maximum of R1,500. Any claim lodged against this section will not be subject to a deductible.

### **Specific Exceptions**

The Company shall not be liable for

- (a) loss of or damage directly or indirectly caused or contributed to or arising from faulty or defective design
- (b) loss of or damage directly or indirectly caused or contributed to or arising from the failure of and/or the deliberate withholding and or/lack of supplies of water, gas, fuel or electricity
- (c) any failure or malfunction of a solar powered geyser due to lack of solar power
- (d) any item forming part of the geyser, its attachments and components that are covered by any guarantee
- (e) any call out cost to attend to, repair or replace
  - 1) ripple trays
  - 2) faulty circuit breakers
  - 3) tripped geyser mains
  - 4) tripped earth leakage
  - 5) tripped isolator switch

## **5. Architects' and Other Professional Fees Clause**

The insurance under this section includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the Property Insured following damage by a Defined Event, but in no case exceeding 15% of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the Declared Value on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the Insured's claim.

## **6. Cost of Demolition and Clearing and Erection of Hoardings Clause**

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

The Company will not pay for any costs or expenses

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

## **7. Fire extinguishing charges clause**

Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to the Property Insured and shall be payable in addition to any other payment for which the Company may be liable in



terms of this Policy provided the Insured is obliged to pay for such costs and the Property Insured was in danger from the fire.

### 8. Municipal plans scrutiny fee clause

The insurance under this section includes municipal plans scrutiny fees, provided that the total amount recoverable under any item shall not exceed the Declared Value on the Property Insured so affected.

### 9. Public authorities' requirements clause

The insurance under this section includes such additional cost of repairing or rebuilding the damaged Property Insured solely by reason of the necessity to comply with building or other regulations under, or framed in pursuance of, any act of parliament or ordinance of any provincial, municipal or other local authority, provided that

1. the amount recoverable under this clause shall not include
  - (a) the cost incurred in complying with any of the aforesaid regulations
    - (i) in respect of damage occurring prior to granting of this clause
    - (ii) in respect of damage not insured by this Policy
    - (iii) under which notice has been served upon the Insured prior to the happening of the damage
    - (iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) of that portion damaged
  - (b) the additional cost that would have been required to make good the property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen
  - (c) the amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations
2. the work of repairing or rebuilding must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of the Company under this clause not being thereby increased
3. if the liability of the Company under any item of this Policy apart from this clause shall be reduced by the application of any of the Terms, Exceptions, Exclusions and Conditions of this Policy, then the liability of the Company under this clause in respect of any such item shall be reduced in like proportion
4. the total amount recoverable under any item, of this Policy shall not exceed the Declared Value hereby.
5. All the exceptions and conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

### 10. Reinstatement Value Conditions

In the event of the Property Insured being damaged, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the Insured Property when new,



**provided that**

1. the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable dispatch, otherwise no payment beyond the amount which would have been payable if these Reinstatement Value Conditions had not been incorporated herein shall be made;
2. until expenditure has been incurred by the Insured in replacing or reinstating the property, the Company shall not be liable for any payment in excess of the amount which would have been payable if these Reinstatement Value Conditions had not been incorporated herein
3. each item insured under these Reinstatement Value Conditions is declared to be separately subject to the following Condition of Average, namely:  
If at the time of damage, the Declared Value of the Property Insured by such item is less than the cost of reinstatement (as defined in paragraph 1 above) at the inception of the Period of Insurance, then the Company's liability for any loss hereby shall be limited to that proportion thereof which the Declared Value bears to such cost of reinstatement.
4. these Reinstatement Value Conditions shall be without force or effect if
  - (a) the Insured fails to intimate to the Company within 6 months of the date of damage, or such further time as the Company may in writing allow, their intention to replace or reinstate the property
  - (b) the Insured are unable or unwilling to replace or reinstate the property on the same or another site.
5. where, by reason of any of these Reinstatement Value Conditions, no payment is to be made beyond the amount which would have been payable under the Policy if this Reinstatement Value Conditions clause had not been incorporated therein, the rights and liabilities of the Company and the Insured in respect of the destruction or damage shall be subject to the Terms and Conditions of the Policy including any Condition of Average therein, as if this Reinstatement Value Conditions clause had not been incorporated therein, except that the total amount payable shall be limited to a maximum of the percentage of the Declared Value shown in the Schedule.

## **11. Temporary Removal Clause**

Except in so far as otherwise insured, the Property Insured is covered whilst temporarily removed to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi provided that the amount payable under the Clause shall not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed

## **12. Obsolescence**

Should, following loss or damage caused by a Defined Event, any electrically powered equipment detailed herein not be available from suppliers within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe or Malawi or be unavailable due to replacement by more modern equipment, the Company shall declare the equipment to be obsolete.



In respect of such obsolete equipment the Company shall only be liable for the original installed value of the equipment plus a factor of 15% per annum, on the original installation value, up to the date of loss or damage, as insured. If the original installation value is not known the Company shall assess the original installation value as the Company considers reasonable.

All salvage shall become the property of the Company who shall have the right to dispose of same in any manner to the benefit of the Company. The electrically powered equipment referred to herein shall be:

- (i) common property electric motors including elevator motors;
- (ii) common property telecommunication equipment the property of the Insured;
- (iii) common property security control and detection equipment the property of the Insured;
- (iv) common property television reception equipment the property of the Insured;
- (v) common property closed circuit cameras and monitors the property of the Insured.

Provided always that the Declared Value of the common property is adequate to include the original installation value of the equipment.

### 13. Colour, Style and Texture

Where any article or aesthetic appearance requires to be repaired, replaced or reinstated, following a Define Event, and such is not available in the same colour, style or texture the Company's liability shall be limited to the nearest available colour, style or texture. The Company shall only be liable to repair, replace or reinstate the article or aesthetic appearance relative to the loss or damage suffered.

### 14. Removal of Trees

The cost of removing trees that have fallen upon and caused damage to the Property Insured as a result of a Defined Event shall be borne by the Company.

### 15. Garden Landscaping

The insurances provided by this Policy is extended to include the costs or reinstating gardens relevant to the Property Insured that have been damaged by a Defined Event, or during the prevention of further damage or during the rectification of damage caused to the Property Insured by a Defined Event but the Company's liability shall be limited to no more than R5,000 any one Defined Event.

### 16. Emergency Security Costs

If, due to loss or damage caused by a Defined Event the protection and safeguarding of the Property Insured is compromised the Company's liability shall be limited to no more, than R50,000 in all, towards the employment of security services to safeguard the Property Insured.

### 17. Locks, Keys and Access Cards

The Company will indemnify any Unit or Building Owner in respect of the cost of replacing locks, keys, remotes and access cards to any access door or gate to the Property Insured owned by the Unit or Building Owner or to which the Unit or Building Owner has lawful access to in terms of the Rules or any safe/strong room contained therein, following upon the disappearance of any key or access card or following upon the Unit or Building Owner having reason to believe that any unauthorised person may be in possession of a duplicate of such key or access card provided that

- (i) the Company's liability shall not exceed R20,000 in respect of any one event during any period of 12 consecutive months; and



(ii) the Company shall not be liable for the first R250 of each and every event.

### **18. Maintenance and Cleaning Equipment**

The insurance by this Policy extends to include maintenance and cleaning equipment owned by or under the custody or control of the Body Corporate or the Building Owner in relation to the Property Insured against loss or damage by any Defined Event. The Company's liability limit in respect of this extension shall not exceed R20,000 any one Defined Event.

### **19. Building Modifications**

The Company will with its consent, contribute up to a maximum amount of R25,000 should it become necessary to modify any Property Insured as defined herein, following an event which gives rise to a claim and is admitted by the Company, which results in permanent disability to the Unit or Building Owner.

### **20. Additions**

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the Sum(s) Insured) to the Property Insured for an amount not exceeding 15 percent of the Sum Insured thereon, it being understood that the Insured undertakes to advise the Company each quarter of such alterations, additions and improvements, and to pay the appropriate additional premium thereon.

### **21. Water Loss**

The insurance under this section covers loss of water by leakage from pipes at the Property Insured where the Insured is required to pay for such water at a maximum of amount of R5,000 if the amount of the water used over a three month period is more than 50% higher than in the previous three months excluding

- a) Water lost through leaking taps, geysers, sanitary systems or swimming pools or leaks in swimming pool pipes
- b) water lost whilst the Property Insured is unoccupied for a period of more than 30 consecutive days
- c) the cost of any remedial action provided that the Insured takes immediate remedial action to stop the leakage

The Company will pay an additional amount not exceeding R5,000 for the costs of establishing the cause of the water leakage.

### **22. Upgrade of Automatic Sprinkler Installations**

The Company will indemnify the Insured for costs and expenses necessarily incurred while complying with any legal requirements to upgrade or replace undamaged portions of any automatic sprinkler system, or automatic drencher, gas or foam installation following damage by a Defined Event provided that the total amount recoverable shall not exceed R1,000,000.

### **23. Designation of Property Clause**

For the purpose of determining where necessary the item or column under which any Property Insured is insured, the Company agrees to accept the designation under which such property has been entered in the Insured's books.

### **24. Breach of Conditions Clause**

The conditions of the Policy and sections thereof shall apply individually to each of the risks insured and not



collectively to them so that any breach shall render voidable the Section only in respect of the risk to which the breach applies.

### 25. Waiver of Rights Clause

1. In the event of any rights of recovery having been inadvertently waived by the Insured or by any employee of the Insured under a contract, agreement, lease or other undertaking entered into in the ordinary course of business prior to the occurrence of any damage, this insurance shall not be prejudiced thereby.
2. In the event of a claim arising under this Policy, the Company agrees to waive any rights, remedies or relief to which it might become entitled by subrogation (but only in excess of the amount recovered under any policy providing an indemnity for liability to third parties) against any Company which is a member of the same group of companies; as defined in the Companies Act, 2008, as the Insured.

### 26. Power Surge Extension

The Defined Events under this section have been extended to include the following:

Damage directly caused by power surge provided that:

- (i) all devices, plant and machinery, equipment and systems comply with S.A.B.S., International Standards or similar authority approved requirements for protection against power surge, being installed and maintained in accordance with the manufacturer's instructions.
- (ii) the Company's liability for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed in the aggregate R25,000.
- (iii) the Insured shall be responsible for a deductible of 10% of claim subject to a minimum of R1,000;

Average is not applicable

### 27. Prevention of Access Extension (Applicable to Rent)

If property within a 10 km radius of the Property Insured as stated in the Schedule is lost or damaged by a Defined Event stated during the Period of Insurance and this prevents or hinders the use of or access to the Property Insured, the Company will pay any loss of rent the Insured may incur as a result thereof up to an amount not exceeding 30% of the Declared Value on the affected property. The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.

### 28. Mortgagee Clause

This insurance, as to the interest of the Mortgagee(s) in the buildings, improvements, shall not be invalidated by

- (a) any act or neglect of the Body Corporate or any Trustee acting on behalf of the Body Corporate or any of the Building or Unit Owners, or
- (b) by any misrepresentation or non-disclosure by the Body Corporate or any Trustee acting on behalf of the Body Corporate or any of the Building or Unit Owners at the time when this insurance is effected or renewed or during the currency of this insurance, or
- (c) by the alienation of the property, or
- (d) by the occupation thereof for purposes more hazardous than permitted by this Policy provided that:
  - (i) such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been effected without the knowledge or privy of the Mortgagee(s);





- (ii) the Mortgagee(s) shall notify the Company of the happening or existence of such act, neglect, misrepresentation, non-disclosure, alienation or occupation as soon as same shall come to their knowledge;
  - (iii) the Mortgagee(s) shall, on reasonable demand, pay the additional premium for any increase of hazard thereby;
  - (iv) created according to the Company's scale of rates, for the time such increased hazard may be, or shall have been, assumed by the Company during the continuance of this insurance, and
  - (v) any compensation payable in terms of this insurance shall be payable direct to the Mortgagee(s) of the particular Insured Property in the order of preference of their bond(s) up to the value allocated to the particular Insured Property in this insurance or the aggregate of the amounts due by the Building or Unit Owner to the Mortgagee(s) under their mortgage bonds, whichever is the lesser.
- (e) All and any amounts becoming payable by the Company under this Policy as a result of damage to or destruction of the buildings or improvements forming part of the Insured Property shall, unless otherwise resolved or ordered in terms of the Act to be wholly applied to the reinstatement of such damage. If it is resolved or ordered in terms of Section 48 of the Act that such damage should not be reinstated, the proceeds of any claim applicable to the Insured Property shall be made in the first place to the Mortgagee(s) of the particular Insured Property or the aggregate of the amounts due by the Building or Unit Owner to the Mortgagee(s) under their mortgage bond(s), whichever is the lesser.
- (f) As regards this clause only Condition 14 of this insurance shall apply to the individual Units or buildings (excluding the Building or Unit Owner's interest in the land) and not to the Property Insured as a whole.

### 29. Tenants Clause

The Company's liability to the Insured shall not be affected by any act or omission on the part of any Unit or Building Owner (unless committed by all the Building or Unit Owners in concert or by the Unit or Building Owner whose activity or omission caused the loss or damage) or any tenant (other than the Insured) without the Insured's knowledge.

The Insured shall, however, inform the Company as soon as any such act or omission which is a contravention of any of the Terms, Exceptions, Exclusions or Conditions of this Policy comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the Company.

### 30. National Building Regulations

All properties insured herein shall comply with the National Building Regulations with plans and specifications approved by the local authorities applicable at the time.

### 31. Body Corporate Undertaking

The Body Corporate shall:

- (i) at the first meeting of the Trustees, or as soon thereafter as is possible, and annually thereafter the Trustees shall take steps to make sure that all the buildings, structures, all improvements and all Common Property forming part of the Scheme is insured for their full replacement value as at the last day of the Period of Insurance, subject to the terms of the Escalation clause extension.



## AIG SME Buildings Policy

- (ii) the Trustees shall at all times ensure that:
  - (a) there is specified the replacement value of each Section excluding the Unit Owner's interest in the land
  - (b) there is specified the replacement value of all Common Property excluding the land
  - (c) such replacement value(s) must be presented to the Unit Owners before the Annual General Meeting of the Body Corporate in terms of rule 56 of the Act
  - (d) the Unit Owner has the right to increase the value of their Unit(s) and be subject to the payment of any additional premium due in respect of any such increased value.

### 32. Subrogation Extension

In respect of any Unit /Building Owner becoming legally liable to other Unit/Building Owners, or the Body Corporate, for any indemnifiable claim in terms of this Policy, the Company agrees not to institute their rights of recourse against the relative Unit Owner as per General Condition 7 b) of this Policy. This Extension shall not apply, however, if it is found that the activity was maliciously undertaken to cause loss, damage, liability or hardship to the innocent Unit/Building Owner or Body Corporate.

## Section 2 – Electronic Equipment

### Defined events

#### Sub-section 1 – Property Damage

Sudden and unforeseen physical damage to any electronic equipment forming part of the Property Insured (described in the Schedule) whilst at the Unit or building occupied by the Insured at the Property Insured (hereinafter referred to as "Premises") or temporarily elsewhere for the purpose of repair, servicing and/or maintenance and which results in the Property Insured being rendered incapable of carrying out its intended function,

or

in transit including loading and unloading or whilst temporarily stored at any other premises,

or

whilst temporarily removed from the Premises to any other building,

or

loss of the Property Insured as a result of theft, but excluding loss or damage directly or indirectly caused by or contributed to by:

1. wear and tear, abrasion or ageing of any part of the Property Insured resulting from ordinary use or operation or gradual deterioration but not excluding consequential damage to other exchangeable parts;
2. internal damage to any electronic component forming part of the Property Insured where there is no evidence that the damage was caused by external physical damage;
3. a Defined Event for which or from any loss arising from which the supplier, manufacturer, repairer or contractor is responsible;
4. loss by theft –
  - 4.1 unless such theft is accompanied by forcible and violent entry to the Premises occupied by the Insured, in which the Property Insured is contained. This does not apply in respect of laptops; provided that a thief or thieves concealed on the Premises before close of business or where entry to the Premises is effected by use of a skeleton key and the Insured is able to establish to the satisfaction of the Company that a skeleton key was used shall be deemed to constitute forcible and violent entry;
  - 4.2 in which any principal, partner, member, director or employee of the Insured is concerned as principal or accessory;
  - 4.3 The Company shall not indemnify the Insured for the theft of the Property Insured from any vehicle where the Property Insured has been:
    - a) left in the motor vehicle overnight unless the vehicle is housed in a securely locked building and entry to such vehicle or building is accompanied by forcible and violent entry or exit;
    - b) contained in a compartment of the motor vehicle and is visible to passers-by provided that:
      - (a) and (b) above shall not apply to theft of the Property Insured where the transport vehicle
        - (i) has been hijacked or;
        - (ii) has been involved in a road accident or sustains a breakdown and, due to circumstances beyond the control of the vehicle crew/driver, the Property Insured is of necessity left unprotected.

5. the cost of alterations, additions, improvements and overhauls carried out at the time of repair;
6. cost which have been incurred had the Defined Event not occurred;
7. extra expenditure incurred in effecting temporary repairs.

## Sub-section 2 – Reinstatement of Data

Loss or damage to the Property Insured whilst at the Premises or whilst stored at external backup storage facilities or whilst in transit between the Premises and such external storage facility by a sudden and unforeseen event not excluded in terms of sub-section 1 of this Policy, to the extent that it is neither machine readable nor able to store Data but excluding:

1. costs arising from false programming, punching, labelling or inadvertent cancellation, deletion or discarding of Data Media or modification or corruption of Data including, but not restricted to such events caused by computer viruses or similar events or loss of Data caused by magnetic fields;
2. additional costs, such as purchasing of new licences, incurred because the Property Insured is safeguarded by copy protection and/or access control software or similar procedures have been applied such as dongles or encryption;
3. Property Insured which has been altered or in any way improved following a Defined Event.

## Sub-section 3 – Increased cost of working

If, following loss or damage to the Property Insured by Sub-section 1 of this section of the Policy, by a Defined Event for which the Insurer has admitted liability under sub-section 1 of this Policy (hereinafter referred to as “Damage”); or

is, as the result of the Insured being denied access to the Property Insured due to damage to property in the immediate vicinity of the Premises by an event insured under sub-section 1 of this section of the Policy (hereinafter referred to as “Damage”);

the Business at the Insured Premises is interrupted or interfered with, the Company will indemnify the Insured for an amount not exceeding the Sum Insured or a period not exceeding the indemnity period less any Time excess or any other deductible, as reflected on the Schedule.

### Specific exception (applicable to sub-section 1,2 and 3)

This Policy does not cover loss or damage directly or indirectly caused by, related to or in consequence of –

1. a Defined Event occurring elsewhere than within the territorial limits;
2. consequential loss or damage of any description or delay (other than as specifically provided);
3. volcanic eruption, tidal wave and all resultant flooding or subsidence and landslip.



## Specific condition

### 1. Insured's obligations

The Insured shall take all reasonable steps to:

- 1.1 safeguard and maintain in efficient condition the Property Insured and to prevent losses;
- 1.2 observe any manufacturers' or suppliers' stipulations and recommendations concerning:
  - 1.2.1 erection and installation and particularly as they relate to power supplies, equipotential bonding and air conditioning;
  - 1.2.2 operation, service and maintenance;
- 1.3 ensure that standard Data back-up procedures are complied with.

## Clauses applicable to all sub-sections

### 1. Basis of indemnity

The indemnity under this section of the Policy is on an occurrence basis. Occurrence, whenever referred to in this section shall mean an occurrence or series of occurrences arising from one event or original cause. It is understood and agreed that the monetary amounts as reflected in the Sums Insured/Limits of Liability stated in the Schedule shall be applied to:

- a) the indemnity or amounts payable in terms of this Policy;
- and
- b) Value Added Tax at the current rate as promulgated in legislation pertaining thereto.

Subject to such Sums Insured/Limits of Indemnity being adequate to embrace the amounts reflected under 1 and 2 above the Company will, to the extent that the Insured is accountable to the South African tax authorities for Value Added Tax, include the amount of such tax in the final settlement of any claim in terms of this Policy.

Provided always that the total amount payable by the Company in terms of this Policy for any one Defined Event and Value Added Tax related thereto shall not exceed the Sum Insured/Limit of Indemnity set against such Defined Event in the Schedule.

In circumstances referred to herein under which the Insured is required to bear the first amount of any loss. "The Deductible", such amount shall also be inclusive of Value Added Tax in like manner to the Sums Insured/Limit of Indemnity referred to above.

### 2. Territorial limits

The Republic of South Africa and Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

## Property Insured

All electronic equipment, including the operating system software, as more fully described in the schedule and used in connection with the Business but excluding:

1. parts and materials which, due to their specific function and/or composition, are prone to heavy wear and tear or periodic renewal (such as auxiliary materials and/or consumables), and working materials (such as

development fluids, reagents, toner), coolant and extinguishing medium, cassette ribbons, films and film/foil combinations, specially prepared paper, typeface carriers, raster screens, pipettes and the like;

2. all types of tools such as drills, milling cutters, grippers and the like;
3. tubes, such as picture tubes, radio-frequency power tubes, X-ray tubes, laser and valve tubes, and intermediate image and/or sound carriers such as selenium drums;

provided that if such excluded property is lost or damaged as the result of a defined event the Insurer will pay the residual value thereof.

## Extensions to sub-section 1

### 1. Riot and Strike

Subject otherwise to the policy terms, limitations and Deductible, Defined Event is extended to include loss or damage directly occasioned by or through or in consequence of:

- 1.1 civil commotion, labour disturbances, riot, strike or lockout;
- 1.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with and occurrence referred to in 1.1 above;  
provided that this extension does not cover loss or damage:
- 1.3 occurring in the Republic of South Africa or Namibia;
- 1.4 resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- 1.5 occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- 1.6 related to or caused by any occurrence referred to in general exception 1A(ii), 1A(iii)(a) and (b), 1A(iv), 1A(v) or 1A (vi) of this Policy or the act of any lawfully established authority in controlling, suppressing or in any other way dealing with any such occurrence; and provided further that this extension does not cover:
- 1.7 consequential or indirect loss or damage or any kind or description whatsoever;

If the Company alleges that by reason of 1.3, 1.4, 1.5, 1.6 or 1.7 above loss or damage is not covered by this Policy the burden of proving the contrary shall rest on the Insured.

### 2. Additional cost

The sum insured stated in the Specification includes:

- 2.1 any additional cost incurred solely by reason of the necessity to comply with regulations under or framed in pursuance of any act of parliament or ordinance of any provincial, municipal or local authority or any other subordinate legislation relative to repair or reinstatement provided that the amount recoverable under this extension shall not include:
  - 2.1.1 costs incurred in respect of damage occurring before the granting of this extension or damage not insured by this section;



- 2.1.2 costs incurred in respect of any notice served upon the Insured prior to the happening of the damage;
- 2.1.3 costs incurred in respect of undamaged property or undamaged portions of the Property Insured;
- 2.1.4 the amount of any rate, tax duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforementioned regulations;  
provided the work of repair or reinstatement, which may be carried out wholly or partially upon another site if the aforementioned regulations so necessitate subject to the liability of the Insurer not being thereby increased, is commenced and carried out with reasonable despatch;
- 2.2 fees for the examination of municipal or other plans incurred by the Insured as a result of damage to the Property Insured by a Defined Event;
- 2.3 costs necessarily incurred by the Insured in respect of the demolition and removal of debris and in providing, erecting and maintaining hoardings required during such demolition following damage to the Property Insured by an Defined Event;
- 2.4 alterations, additions and improvements, but not appreciation in value in excess of the Sum Insured, to the Property Insured for an amount not exceeding twenty five percent of the Sum Insured thereon provided the Insured advises the Company within the Period of Insurance of such alterations, additions and improvements and pays any additional premium required;
- 2.5 provision for overtime, night work, work on public holidays and express or airfreight transportation provided the liability of the Insurer shall be limited to fifty percent of the total cost of repair or reinstatement;
- 2.6 professional fees for estimates, plans specifications, tenders and supervision necessarily incurred in the reinstatement or replacement of the Property Insured following damage by an Defined Event but in no case exceeding fifteen percent of the amount payable in respect of such damage and provided the amount payable shall not include expenses incurred in connection with preparation of the Insured's claim;
- 2.7 costs and expenses necessarily incurred by the Insured to protect the Property Insured against possible damage by a Defined Event following damage to the Property Insured.

### 3. Temporary repairs

- 3.1 After notifying the Company of the occurrence of a Defined Event the Insured may effect temporary repairs or replacements of a minor nature provided they first obtain a detailed estimate or prepare a separate job card and retain this, together with any replaced parts, for inspection by the Company or their nominees;
- 3.2 Temporary repairs may be effected by the Insured in the interests of safety without the consent of the Company and the cost of such repairs shall be borne by the Company provided that, if such temporary repairs aggravate or cause additional damage to the Property Insured, any additional costs thereby incurred losses or other consequence arising there from shall be for the Insured's account.



#### 4. Suspensive sale/lease agreements

Provided the Company is notified prior to the occurrence of a Defined Event, it will note and protect the interest of the owner of any item which is the subject of a suspensive sale or lease agreement.

#### 5. Tenants

The Insured shall not be prejudiced by the act of any tenant in premises they own or in which they are co-tenants nor of the owner of the premises of which they are tenants provided that the Company is notified as soon as the Insured becomes aware of such act and the Insured pays any additional premium resulting from the Insurer assuming any additional hazard.

#### 6. Alterations and Misdescription

The Insured shall not be prejudiced by any alteration or misdescription or occupancy due to:

- 6.1 the transfer of processes or machinery;
- 6.2 the acquisition of additional premises;
- 6.3 structural alterations or repairs to buildings, plant or machinery;

provided that notice is given to the Company as soon as practicable and the Insured pays any additional premium that may be required.

## Cluses and memoranda applicable

### Sub-section – Property Damage

#### 1. Insured Value

The Sum Insured for each item of Property Insured shall be equivalent to its Insured Value which shall mean:

- 1.1 in the event that the item is listed in a current price list, the valid price when new;
- 1.2 in the event that the item is no longer listed in current price lists, the list price from the last available price list when new adjusted for any price alterations for similar items which may meanwhile have taken place;
- 1.3 in the event that no price list is available, the purchase or delivery price of the item when new adjusted for any price alterations which may meanwhile have taken place;
- 1.4 in the event that the list, purchase or delivery price is not available, the total of all costs generally applied in the market to manufacture the item, plus price margins where relevant, adjusted for any price alterations which may meanwhile have taken place, plus provisions for delivery and other costs described in the extensions to this section provided that discounts and any price concessions shall not influence the determination of the Insured Value.

#### 2. Average

If on the commencement of the occurrence of a Defined Event the Insured Value of the Property Insured is collectively greater than the Sum Insured stated in the Schedule the Insured shall be considered their own





insurer for the difference and shall bear a rateable proportion of the loss. Each item of Property Insured, if more than one, shall be separately subject to this clause.

### 3. Basis of Indemnity

#### 3.1 Partial Loss

In the event that repair costs necessary to reinstate the Property Insured and the value of salvage material are less than the Insured Value the basis of indemnification shall be the costs and expenses reasonably and necessarily incurred to restore the Property Insured to its working condition immediately prior to the occurrence of the damage including the costs of dismantling, re-erection and ordinary custom duties provided that:

- 3.1.1 the value of damaged parts which can be re-used will be deducted;
- 3.1.2 where the damage is restricted to a part or parts of an item the Insurer will not be liable for an amount greater than the cost of repairs to the damaged part or parts allowed for within the Sum Insured;
- 3.1.3 if no repair is possible owing to the unavailability of parts or the obsolescence of the damaged item the Company will pay the estimated cost of repair had such parts been available but not more than the cost of repairing or replacing similar, available, equipment or the Sum Insured stated in the Schedule whichever is the lesser.

#### 3.2 Total Loss

3.2.1 in the case where the Property Insured is totally lost or destroyed, the basis of indemnification shall be:

- 3.2.1.1 the Company shall reimburse the costs required to purchase and install a new item of similar type and quality to replace the original Insured Item; however indemnification paid shall not exceed the Sum Insured (new replacement value)
  - If the Insured Item subject to total loss is still available and is not more than seven years old, all costs necessary to replace and erect an identical new item will be reimbursed.

If the Insured Item subject to total loss has meanwhile become obsolete; all costs necessary to replace the lost or damaged Insured Item with a follow-up model (similar type) or similar structure/configuration (of similar quality) i.e. low, average, high capacity – will be reimbursed.

- 3.2.1.2 in the case of an item which is more than seven years old from date of manufacture the cost of replacement at market value and the cost of removing the damaged item less the value of any salvage.

## Sub-section 2 – Reinstatement of data

The reinstatement of machine-readable information (hereinafter referred to as “Data”), caused by a defined event referred to in Sub-section 1 such as master and transaction data stored in data files and databases, standard program data out of series production and data on customised user programmes ready for use and storage media for data (hereinafter referred to as “Data Media”) on which Data has been stored and which can be exchanged by the Insured such as removable magnetic discs, magnetic tapes and floppy discs but excluding:

1. Data Media which cannot be exchanged by the Insured such as hard disks, semi-conductor memories and the like;
2. Data which is stored in the C.P.U.’s main memory only such as operating programmes;
3. input documents such as invoices, bills and the like and equipment printed output.

### Basis of indemnity

The amount payable as indemnity shall be the reasonable and necessary costs actually incurred by the Insured for recapturing and/or restoring the Data held on the Data Media to a level equivalent to but not more extensive than the Data held immediately prior to the occurrence of the Defined Event and the cost of replacing lost or damaged Data Media but not exceeding the amount stated in the Schedule provided that if the Data has not been recaptured or restored within twelve months of the loss, the Company will only indemnify the Insured for the cost of replacing lost or damaged Data Media.

## Sub-section 3 – Increased cost of working

### Basis of Indemnity

The amount payable as indemnity shall be the additional expenditure necessarily and reasonably incurred by the Insured for the sole purpose of avoiding or diminishing the interruption of or interference with the Business which, but for such expenditure, would have taken place during the Indemnity Period in consequence of the Damage less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the Damage but not exceeding the amount stated in the Schedule provided that the Company shall not be liable:

1. during any period of interruption or interference with the Business arising directly or indirectly as a consequence of overhauls, alterations, additions or improvements being carried out following the occurrence of the Damage and the Indemnity Period shall be exclusive of the time required for such work;
2. during any prolongation of the Indemnity Period attributable to obsolescence or the unwillingness of the Insured to replace or reinstate the property lost, destroyed or damaged or failing to carry out replacement or reinstatement within a reasonable time.
3. during the period of the Time Deductible stated in the Schedule.



## Definitions

### Indemnity period

The period commencing with the occurrence of the Damage and ending not later than the number of months thereafter stated in the Schedule during which the results of the Business shall be affected in consequence of the Damage.

### Time deductible

The period commencing with the occurrence of the Damage and ending not later than the number of hours thereafter stated in the Schedule during which the results of the Business shall be affected in consequence of the Damage provided that the Company shall not be liable to make any payment hereunder if the Indemnity Period does not exceed the Time Deductible.

## Clauses, conditions and extensions applicable to sub-section 3

### 1. Termination of Cover

The insurance under this Sub-section shall cease, unless the Insurer has given their written consent, if the Business is wound-up or carried on by a liquidator or judicial manager or is permanently discontinued.

### 2. Due Diligence

2.1 On the happening of any Damage in consequence of which a claim is or may be made under this Sub-section the Insured shall, in addition to complying with general conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss and in the event of a claim being made under this Section shall, not later than thirty days after the expiry of the Indemnity Period or within such further time as the Company may in writing, allow and at their own expense deliver to the Company, in writing, a statement setting forth particulars of their claim together with details of any other insurances covering the Damage or any part thereof or consequential loss of any kind resulting there from.

2.2 The Insured shall, at their own expense, also produce and furnish to the Company such books of account and other business books, vouchers, invoices, balance sheets and other documents as may reasonably be required by the Company for the purpose of investigating or verifying the claim together with, if demanded, a declaration of the truth of the claim and of any matters connected therewith.

2.3 No claim under this Sub-section shall be payable unless the terms of this sub-section have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Insurer forthwith.

### 3. Auditors

The Insured's auditors or professional accountants may certify from the Insured's books of account or other business books any detail required by the Insurer and their certificate shall be prima facie evidence of such detail.

#### 4. Public Utilities – Electricity and Telecommunications

Additional expenditure, as Insured by this Sub-section, resulting from interruption or interference with the Business in consequence of total or partial failure of the public supply of electricity or telecommunications to the Premises shall be deemed to have resulted from Damage provided that this extension does not apply in respect of damage directly or indirectly caused by:

- 4.1 the deliberate act of the Insured or the exercise of an authority empowered by law to supply electricity or telecommunications of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority;
  - 4.2 drought or shortage of fuel or water at the premises of the supply authority;
  - 4.3 an event described in general exceptions 1 and 2 and specific exceptions 2 and 3 under this section;
  - 4.4 Damage to property situated outside the territorial limits;
- and provided further that the liability of the Company shall only commence forty eight hours after and end not later than fourteen days after the occurrence of the Damage.

#### Cyber exclusions

Property damage covered under this Section shall mean physical damage to the substance of property. Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure. Consequently the following are excluded from this Section:

- (A) Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software, which is the direct consequence of insured physical damage to the substance of property, shall be covered.
- (B) Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage

#### General extensions

Incompatibility cover (if stated in the Schedule to be included)

Notwithstanding anything contained to the contrary in the policy, the indemnity by sub-sections 1, 2 and 3 of this section shall indemnify the Insured for costs incurred in respect of:

- (a) modifications or alterations to the Property Insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system;
- (b) replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system;
- (c) the restoration of previously captured data which has become inaccessible due to the modifications to or alterations of the electronic system or in consequence of the replacement or upgrading of legal programs;



## AIG SME Buildings Policy

provided always that:

- (1) the costs provided for in (a), (b) and (c) above shall be necessarily and reasonably incurred to maintain normal working conditions;
- (2) such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-sections 1 or 2 of this section of the policy;
- (3) the cover afforded hereunder shall be restricted to
  - (i) parts or components of the electronic system which are not indemnifiable under sub-section A hereof;
  - (ii) programs or data reinstated not indemnifiable under sub-section 2 hereof;
- (4) the indemnity by this extension shall, in respect of any one event, be limited in the aggregate of twenty percent (20%) of the applicable total Sum Insured under sub-section 1 – The Limit of Indemnity and sub-section 2 hereof or R25,000 – whichever is the lesser.

### **Worldwide cover**

This section is extended to include worldwide cover in respect of laptops, palmtops, tablets and notebook computers as stated in the Schedule.



## Section 3 – Money

### Defined events

Accidental loss of or damage to Money, as defined, the property of the Body Corporate or the Building Owner whilst on the Property Insured or whilst in direct transit to or from the Banker of the Body Corporate or Building Owner.

### Limit of Liability

The Limit of Indemnity of the Company shall not exceed R5,000 or the amount stated in the Schedule in respect of each and every claim

### Specific Exceptions

The Company shall not be liable for loss of or damage to Money:

1. arising from dishonesty of any director or Trustee or person or persons in the employ of the Insured;
2. arising from shortage due to error or omission;
3. arising from the use of keys to any safe or strong-room unless the keys
  - (a) are obtained by violence or threats of violence to any person
  - (b) are used by the key holder or some other person with the collusion of the key holder and the Insured can prove to the satisfaction of the Company that the key holder or such other person had used the keys to open the safe or strong-room;
4. in an unlocked safe or strong-room whilst the portion of the premises containing such safe or strong-room is unattended but this Exception will not apply if it can be shown to the satisfaction of the Company that the key holder to the safe or strong-room deliberately left it unlocked with the intention of allowing the Money to be stolen;
5. not contained in a locked safe or strong-room whilst the portion of the premises containing such Money is unattended but this Exception will not apply if it can be shown to the satisfaction of the Company that the person(s) responsible for the Money deliberately left it outside the safe or strong-room with the intention of allowing it to be stolen;
6. in any vehicle being used by the Insured unless a director or Trustee or person or persons in the employ of the Insured is actually in such vehicle or, if not in such vehicle, is within 5 metres of it in a position from which the vehicle is clearly visible. This Exception shall not apply following an accident involving such vehicle rendering the said person incapacitated and is subject to the following limits:
  1. up to R10,000 by one responsible person,
  2. between R10,001 and R30,000 by two responsible persons,
  3. over R30,000 by an approved professional security company.



It is further warranted that the transit of Money between the Insured's premises and the bank will be uninterrupted. This does not apply where Money is transported by an approved professional security company.

Exceptions 3, 4 and 5 above do not apply up to an amount of R5,000 and such losses shall not be reduced by any Deductible.

### Clauses and Extensions

#### 1. Personal Assault Extension

The term "Defined Events" in the money section shall be deemed to include bodily injury, caused by accidental, violent, external and visible means as a result of theft, or any attempt thereat, to the Insured or to any director or Trustee or employee of the Insured (hereinafter in this extension referred to as such person) while such person is acting in the course of his duties in the Insured's employ.

The Company will pay to the Insured, on behalf of such person or his estate, the amount stated under Event Limits in the event of a bodily injury to such person resulting within 12 calendar months in,

### Event Limits

- a) Death, or total and permanent disability R5,000
- b) Loss or loss of use of one or more limbs at or above the wrist or ankle R5,000
- c) Loss or loss of use of one or both eyes R5,000

### Limitation Clause

The liability of the Company under this extension is limited to R10,000 per event.

### Proviso

- a) This extension shall not apply to any person under 16 or over 70 years of age.
- b) After suffering bodily injury for which benefit may be payable under this extension, such person shall submit to medical examination and undergo any treatment specified. The Company shall not be liable to make any payment unless this proviso is complied with to its satisfaction.
- c) General Exception 2 and General Conditions 2 and 7 do not apply to this extension.
- d) In respect of this extension only General Exception 1 is deleted and replaced by the following:

"This extension does not cover death or bodily injury directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution or military or usurped power."



## Section 4 – Glass

### Defined events

Loss of or damage to internal and external glass including signwriting, treatment and ornamentation, frames and fittings at the Property Insured as stated in the Schedule, the property of the Insured or for which the Insured is legally liable.

In the event of breakage the Company will pay the cost of:

1. The repair or replacement of:
  - 1.1 glass or other property described in the Schedule' Salvage shall be the property of the Company
  - 1.2 boarding-up or other protection of the Property Insured pending replacement of the glass.

### Limit of Indemnity

1. glass and other property	Value shown in the Schedule
2. The cost of temporary security in order to protect the premises	R10,000 Any one event
3. Window displays	R10,000 Any one event
4. Boarding-up	R10,000 Any one event

### Extensions

#### 1. Riot and Strike Extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein this Section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- 1.1 Civil Commotion, labour disturbances, riot, strike or lockout;
- 1.2 The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 1.1 above.

**Provided that** this extension does not cover:

- a) Loss or damage occurring in the Republic of South Africa and Namibia
- b) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- c) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- e) Loss or damage related to or caused by any occurrence referred to in General Exception 1(a), (ii), (iii), (iv), (v) or (vi) of this Policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.





## AIG SME Buildings Policy

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.

### **Specific Exception**

**The Company will not be liable for:**

1. Fire, Flood etc.  
Fire, Explosion, Storm, Sonic Boom, Flood, Volcanic Eruption or other convulsion of nature.

## Section 5 – Public Liability

### Defined events

Damages for which the Insured as specified above shall become legally liable to pay consequent upon accidental death, Bodily Injury, Personal Injury (hereinafter termed Injury) to any person or Property Damage (hereinafter termed Damage) occurring during the Period of Insurance in, on or about the Property Insured and arising from the activities of the Body Corporate or whilst the Trustees act on behalf of the Body Corporate or the Building Owner.

### Limit of Liability

The amount payable inclusive of any legal costs recoverable from the Insured by a claimant or any number of claimants and other costs and expenses incurred with the Company's consent for any one event or series of events with one original cause or source shall not exceed R10,000,000 or the amount stated in the Schedule.

### Specific Exceptions

The Company will not indemnify the Insured under this section in respect of

1. Injury or Damage sustained by
  - (a) any member of the same household as the Insured
  - (b) any person employed by the Insured under a contract of service or apprenticeship and arising directly from and in the course of such employment by the Insured
  - (c) any other person resulting from the ownership of or use by or on behalf of the Insured of mechanically propelled vehicles (except pedal cycles and lawnmowers).
2. Damage to property
  - (a) belonging to the Insured
  - (b) in the custody or control of the Insured or any employee of the Insured
  - (c) caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
3. liability assumed by agreement unless liability would have attached to the Insured notwithstanding such agreement.
4.
  - (a) liability in respect of Injury or Damage directly or indirectly caused by seepage, pollution or contamination provided always that this Specific Exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence
  - (b) the cost of removing, nullifying or cleaning up seeping, pollution or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence.

This Specific Exception shall not extend the Policy to cover any liability which would not have been Insured under this Policy in the absence of this Specific Exception.



## AIG SME Buildings Policy

5. fines, penalties, punitive, exemplary or vindictive damages.
6. (a) damages in respect of judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland  
(b) costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the area described in 6(a) above.
7. The carrying out of structural alterations or additions.
8. Liability arising out of any contract of indemnity or agreement which imposes upon the Insured liability which the Insured would not otherwise have been under.
9. The Insured's profession or business (except as owner of the Property Insured)
10. Liability caused by or through or in connection with:
  - The refuelling of aircraft;
  - The ownership, possession, maintenance, operation or use of the aircraft or airline;
  - The ownership, hire or lease of any airport or airstrip.

### Memoranda

1. Where more than one Insured is named in the Schedule, the Company will indemnify each Insured separately and not jointly and any liability arising between such Insured shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the Company shall not exceed the Limit of Indemnity stated in the Schedule.
2. Provided that the aggregate liability of the Company is not increased beyond the Limit of Indemnity stated, the Company will also indemnify as though a separate policy had been issued to each
  - (a) in the event of the death of the Insured, any personal representative of the Insured in respect of liability incurred by the Insured
  - (b) Any director, Trustee or Employee of the Insured (if the Insured so requests) against any claim for which the Insured are entitled to indemnity under this insurance.
3. In respect of this section only, General Exception 1 is deleted and replaced by the following:

'This section does not cover injury, damage or liability directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.'
4. If, at the time of any event giving rise to a claim under this section, indemnity is also provided under any other insurance, this section shall not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.
5. The Company will not indemnify the Insured under this section in respect of damage to property belonging to any Trustee or employee of the Insured or any visitor to the Insured Property.



## Clauses And Extensions

### 1. Security and Garden Service Firms

Notwithstanding anything stated to the contrary in this Policy, if in terms of a contract with a security or garden service firm engaged by the Body Corporate or Building Owner to protect or maintain the Property Insured in the course of the Business of the Insured, the Body Corporate or the Building Owner becomes legally liable for the acts or omissions of the employees of the security or garden service firm in the course of their employment, then this Policy includes such legal liability to the extent that indemnity would have been granted under this Policy had the said employees been under a contract of service to the Body Corporate or the Building Owner and not the security or garden service firm, but not exceeding R50,000.

If, at the time of an event giving rise to a claim, the security or garden service 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 but not exceeding R50,000.

### 2. Emergency Medical Expenses

The Company will indemnify the Body Corporate or the Building Owner for all reasonable expenses incurred by the Body Corporate or the Building Owner for such immediate medical treatment as may be necessary at the time of an accident causing Injury to any person who may be the subject of a claim for indemnity by the Insured in terms of this section.

### 3. Car parks

The Company will indemnify the Body Corporate and the Building Owner in respect of liability as herein provided arising from loss of or damage to vehicles and their contents and accessories, the property of visitors using parking facilities provided by the Body Corporate or the Building Owner.

### 4. Legal Defence Costs

If the Building Owner or Body Corporate or a Trustee on behalf of the Body Corporate so requests, the Company will indemnify any Employee or partner or director or any Trustee of the Building Owner or the Body Corporate against costs and expenses as stated in the Schedule in respect of any one Period of Insurance incurred by or on behalf of such person with the consent of the Company in the defence of any criminal action brought against such person in the course of their occupation with the Building Owner or the Body Corporate and or Trustee on behalf of the Body Corporate arising from an alleged contravention of the Statutes as herein defined during the Period of Insurance provided that

1. in the case of an appeal, the Company shall not indemnify such person unless a senior counsel approved by the Company shall advise that such appeal should, in their opinion, succeed.
2. the Company shall not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any loss consequent thereon
3. such person shall, as though they were the Insured, observe, fulfill and be subject to the Terms, Exceptions, Exclusions and Conditions of this section in so far as they can apply.



### The Statutes

The Occupational Health and Safety Act No.85 of 1993 (as amended) The Mines and Works Act No.27 of 1956 (as amended)

The Electricity Act No.40 of 1958 (as amended) and/or any other Act or Ordinance pertaining to the supply of Electricity all as read in conjunction with the Criminal Procedure Act No.51 of 1977 (as amended).

### 5. Wrongful arrest and Defamation

The indemnity provided by this section is extended to include damages (i) resulting from wrongful arrest (including assault in connection with such wrongful arrest) (ii) in respect of defamation provided always that the Limits of Indemnity as stated shall not exceed the amount stated in the Schedule in any one (annual) Period of Insurance. The indemnity under this section is confined to the Building Owner and or the directors and Employees of the Building Owner or the Trustees acting on behalf of the Body Corporate and or Employees of the Body Corporate.

### 6. Mortgagee Clause

This insurance, as to the interest of the Mortgagee(s) in the buildings, improvements, shall not be invalidated by

- (a) any act or neglect of the Body Corporate or any of the Building or Unit Owners, or
- (b) by any misrepresentation or non-disclosure by the Body Corporate or any of the Building or Unit Owners at the time when this insurance is effected or renewed or during the currency of this insurance, or
- (c) by the alienation of the property, or
- (d) by the occupation thereof for purposes more hazardous than permitted by this Policy provided that:
  - (i) such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been effected without the knowledge or privity of the Mortgagee(s)
  - (ii) the Mortgagee(s) shall notify the Company of the happening or existence of such act, neglect, misrepresentation, non- disclosure, alienation or occupation as soon as same shall come to their knowledge;
  - (iii) the Mortgagee(s) shall, on reasonable demand, pay the additional premium for any increase of hazard thereby
  - (iv) created according to the Company's scale of rates, for the time such increased hazard may be, or shall have been, assumed by the Company during the continuance of this insurance, and
  - (v) any compensation payable in terms of this insurance shall be payable direct to the Mortgagee(s) of the particular Unit or building in the order of preference of their bond(s) up to the value allocated to the particular Unit or building in this insurance or the aggregate of the amounts due by the Building or Unit Owner to the Mortgagee(s) under their mortgage bonds, whichever is the lesser.



- (e) All and any amounts becoming payable by the Company under this Policy as a result of damage to or destruction of the buildings, improvements shall, unless otherwise resolved or ordered in terms of the Act to be wholly applied to the reinstatement of such damage. If it is resolved or ordered in terms of Section 48 of the Act that such damage should not be reinstated, the proceeds of any claim applicable to the Unit or building shall be made in the first place to the Mortgagee(s) of the particular Unit or building insured or the aggregate of the amounts due by the Building or Unit Owner to the Mortgagee(s) under their mortgage bond(s), whichever is the lesser.
- (f) As regards this clause only Condition 14 of this insurance shall apply to the individual Units or building (excluding the Owner's interest in the land) and not to the Property Insured as a whole

### 7. Tenants Clause

The Company's liability to the Insured shall not be affected by any act or omission on the part of any Building or Unit Owner (unless committed by all the Owners in concert or by the Building or Unit Owner whose activity or omission caused the loss or damage) or any tenant (other than the Insured) without the Insured's knowledge.

The Insured shall, however, inform the Company as soon as any such act or omission which is a contravention of any of the Terms, Exceptions, Exclusions or Conditions of this Policy comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the Company.

### 8. National Building Regulations

All properties insured herein shall comply with the National Building Regulations with plans and specifications approved by the local authorities applicable at the time.

### 9. Body Corporate Undertaking

**The Body Corporate shall:**

- (i) at the first meeting of the Trustees, or as soon thereafter as is possible, and annually thereafter the Trustees shall take steps to make sure that all the buildings, structures, all improvements and all Common Property forming part of the Scheme is insured for their full replacement value as at the last day of the Period of Insurance, subject to the terms of the Escalation clause extension.
- (ii) the Trustees shall at all times ensure that:
  - (a) there is specified the replacement value of each Section excluding the Owner's interest in the land
  - (b) there is specified the replacement value of all Common Property excluding the land
  - (c) such replacement value(s) must be presented to the Unit Owners before the Annual General Meeting of the Body Corporate in terms of rule 56 of the Act
  - (d) the Unit Owner has the right to increase the value of their Unit(s) and be subject to the payment of any additional premium due in respect of any such increased value.



### 10. Subrogation Extension

In respect of any Unit Owner becoming legally liable to other Unit Owners, or the Body Corporate, for any indemnifiable claim in terms of this Policy, the Company agrees not to institute their rights of recourse against the relative Unit Owner as per General Condition 6 b) of this Policy. This Extension shall not apply, however, if it is found that the activity was maliciously undertaken to cause loss, damage, liability or hardship to the innocent Unit Owner or Body Corporate.

## Trustees Liability

### Defined Events

Legal liability for any loss suffered by the Body Corporate or the Trustees acting in their capacity as Trustees of the Body Corporate as a result of the wrongful activities of any Trustee, or Trustees, being any actual or alleged breach of trust, breach of duty, neglect, error misstatement, misleading statement, other activity wrongfully committed or attempted by any Trustee, or Trustees, which arises solely by reason of their acting in the capacity of a Trustee of the Body Corporate.

### Limit of Liability

The Limit of Indemnity of the Company shall not exceed R1,000,000 or amount stated in the Schedule in respect of all losses committed during the currency of this section. The renewal or continuance of this Policy beyond any Period of Insurance shall not result in any accumulation of the Company's liability beyond the Limit of Indemnity applicable at the time of the wrongful activity.

### Specific Exceptions

The Company shall not indemnify the Insured in respect of:

1. liability in terms of the VAT Act;
2. any amounts that the Body Corporate or Trustees acting on behalf of the Body Corporate or the Building Owner are liable to settle in the course of their Business;
3. fines, penalties, punitive, exemplary or vindictive damages;
4. activities that the Trustee, or Trustees of the Body Corporate or the directors of the Building Owner, know is illegal, fraudulent or of malicious intent;
5. the Deductible applicable to any claim accepted in terms of this section.

## Clauses and Extensions

### 1. Legal Clause

The Company agrees to accept all particulars and documents supplied in support of the Insured's claim prepared, supplied and signed by the Insured's legal adviser as prima facie evidence of the particulars and details to which they relate.

## Section 6 – Machinery Breakdown

### Defined events

Sudden and unforeseen physical damage to the insured machinery as stated in the Schedule forming part of the Property Insured under the Buildings Combined section of this Policy;

- (a) whilst at work or at rest,
- (b) whilst being dismantled for the purpose of cleaning, inspection and overhaul or removal to another position in the course of these operations themselves or subsequent re-erection.

**provided that,**

- (i) the Company will not be responsible for the cost of any alterations or overhauls carried out on the occasion of a repair or reinstatement,
- (ii) in case of a claim where loss or damage is confined to a part of a machine or structure, the Company shall be liable only for the value of that part plus the cost of any necessary dismantling and erection for which the Insured is responsible,
- (iii) in the event of total loss, which shall mean when the insured machinery is not repairable, the amount payable hereunder shall be the cost of reinstatement in accordance with the Reinstatement Value Conditions incorporated in the Buildings Combined section of this Policy.

### Specific Exceptions

The company shall not be liable for,

1. damage to the insured machinery by any cause otherwise insured in terms of the policy or subsequent dismantling or re-erection,
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions),
3. damage resulting from experiments, overloads or tests.

### Specific Conditions

#### Alteration of Risk

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

#### Average

The Sum Insured stated in the Schedule shall be equal to the new replacement value including transport and erection costs and custom duties if any, plus VAT. If the Sum Insured shall at the time of any damage be of lesser





## AIG SME Buildings Policy

value that the amount required to be insured as stated above, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the loss accordingly.

### **Precautions**

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

### **Rights of the Company**

The Insured shall allow the Company to examine the insured machinery at any reasonable time. If during the inspection by the Company, any new facts of a nature likely to increase the risk are observed the Insured must, at the request of the Company, restore the risk to normal within the least possible time. The Company may immediately, on discovery of such new fact, given written notice to the Insured suspending cover under this section.



## Section 7 – Accidental Damage

### Defined events

Accidental physical damage to the Property Insured, as stated in the Schedule, not otherwise insured or for which insurance is available and described (whether incorporated in this policy or not) in terms of any section (other than All Risks section) listed in the index of this Policy.

### Limit of Liability

The amount payable for all damage arising out of one original cause or source shall not exceed the Sum Insured or R500,000 or the Sum Insured as stated in the Schedule.

And notwithstanding General Condition 2, this section shall not be called into contribution for any defined event for which more specific insurance has been arranged.

### Specific Exceptions

1. **The company shall not be liable for damage resulting from,**
  - a) any peril excluded or circumstance precluded from any other insurance available from the Company at inception hereof or for any deductible payable by the Insured under such section, or for any reduction of amount payable under any claim due to the application of average,
  - b) detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process,
  - c) unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information,
  - d) failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant,
  - e) collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).
  
2. **The Company shall not be liable for loss of or damage to Property Insured caused by,**
  - a) any fraudulent scheme, trick, device or false pretence practised on the Insured (or any person having custody of the Property Insured) or fraud or the dishonesty of any principal or agent of the Insured,
  - b) overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus,
  - c) breakdown, electrical, electronic and/or mechanical derangement,
  - d) altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon,

- e) fault or defect in its design, formula, specification, drawing, plan, materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, contamination, pollution, change in colour, flavour, texture or finish or its own wear and tear,
- f) domestic pets, termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions, the action of light.

### 3. The Company shall not be liable for,

- a) more than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set or collection,
- b) settlement or bedding down, ground heave, collapse or cracking of structures or the removal or weakening of support to any Property Insured,
- c) loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container,
- d) loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes,
- e) damage to irrigation equipment,
- f) denting, chipping, scratching or cracking not affecting the operation of the item,
- g) damage to driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines, tunnels, cables, cableways, bridges, docks, jetties, wharves, piers, excavations or property below ground.

## Extension

### 1. Accidental Damage (if stated in the schedule to be included)

Notwithstanding the limits stated in respect of Accidental Damage under Defined Events, this extension extends to cover additional accidental damage sum insured up to the amount stated in the schedule.

## Clauses

### Additional Costs

In respect of property insured, the sum insured includes,

- a) any costs incurred, due to the necessity to comply with building or other regulations of any public authority, in repair or reinstatement following a Defined Event, provided that such costs do not include,
  - (i) anything for which notice had been served on the Insured prior to the Defined Event,
  - (ii) anything connected with undamaged property or undamaged portions of property,
  - (iii) rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the Property Insured.
- b) fees for the examination of municipal or other plans,



- c) costs necessarily incurred by the Insured in the demolition, removal of debris and in providing, erecting and maintaining hoardings required during demolition and rebuilding,
- d) the professional fees of architects, quantity surveyors and other consultants,
- e) charges levied by any authorised fire brigade for their services,

but the Company shall not be liable under (a), (b) or (d) unless the damaged property is replaced or reinstated without undue delay nor under (d) for any expenses in connection with the preparation of the Insured's claim.

Further, the Company shall not be liable under (c) for any costs or expenses,

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

### **Mortgagee**

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

### **Tenants**

The Company's liability to the Insured shall not be affected by any act or omission on the part of any tenant (other than the Insured without the Insured's knowledge. The Insured shall, however, inform the Company as soon as any such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date of any increased hazard shall be assumed by the Company.

### **Memoranda**

#### **First Loss Average**

If, at the time of any damage arising, the value of the Property Insured does not exceed the Sum Insured stated in the Schedule then this Section shall be declared free of average, but if the Property Insured is collectively of greater value than the Sum Insured, then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the first loss Sum Insured accordingly. Each item, if more than one, shall be separately subject to this condition.



## Section 8 – Business All Risks

### Defined Events

Loss of or damage to the whole or part of the property described in the Schedule while in, on or about the Property Insured, caused by any accident or misfortune not otherwise excluded but not exceeding the Sum Insured as stated in the Schedule.

### Limit of Liability

The Limit of Indemnity of the Company shall not exceed R5,000 in respect of garden, cleaning equipment and tools or the amount stated in the Schedule in respect of each and every claim.

### Specific Exceptions

The company shall not be liable for loss of or damage resulting from or caused by,

- a) mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded,
- b) wear and tear, gradual deterioration, any process of cleaning, repair or restoring or as a result of light, atmospheric or climatic conditions unless following an accident or misfortune not otherwise excluded,
- c) scratching, denting or chipping not affecting the operation of the item,
- d) during the fitting, adjustment, repair or dismantling of any insured item,
- e) inherent vice or defect, vermin, insects, damp, mildew or rust,
- f) the dishonesty of the Insured, a director of the Insured, Trustee or Employee whether acting alone or in collusion with others.



## Section 9 – Fidelity Guarantee

### Defined Events

Loss of Money and/or other property belonging to the Body Corporate or the Building Owner or utilised solely on behalf of the Body Corporate or the Building Owner by any activity of fraud or dishonesty committed by any director, Employee or Trustee of the Body Corporate or the Building Owner.

Where such activity of fraud or dishonesty by any Employee or Trustee of the Body Corporate or the Building Owner such activity must result in the personal financial gain of such person.

### Limit of Liability

The Limit of Indemnity of the Company shall not exceed R50,000 or the amount stated in the Schedule in respect of all losses committed during the currency of this section. The renewal or continuance of this Policy beyond any Period of Insurance shall not result in any accumulation of the Company's liability beyond the Limit of Indemnity applicable at the time of discovery.

### Specific Exceptions

The Company shall not be liable for:

- (a) loss resulting from or contributed to or by the fraud or dishonesty of any director, Employee or Trustee of the Body Corporate or the Building Owner from the time that the Insured becomes aware of the such fraud or dishonesty by the person(s) concerned;
- (b) any consequential losses of any kind;
- (c) the Deductible applicable to any claim accepted in terms of this section.

### Memoranda

1. The Insured shall institute and maintain proper control of all Money and other property as required in terms of the Act and shall employ the services of a qualified accountant who shall maintain all financial records monthly. The accountant shall report any irregularities to the Trustees as soon as such comes to their attention.
2. The Insured shall be entitled to amend the employment duties of any Employee. Should such amendment involve any activity concerning the collection or payment of Money or involve the responsibility of securing any property such amendment of duties shall be agreed by the accountant. Failure to adhere to this Memoranda may result in the Company not accepting any claim submitted in terms of this section.
3. The insurance provided by this section is dependant on losses suffered during the Period of Insurance and in



## AIG SME Buildings Policy

addition during the following discovery periods:

- (i) losses must be discovered during the Period of Insurance or within 12 months of the termination of the currency of this section;
  - (ii) losses must be discovered within 12 months of the termination of employment of any Employee;
  - (iii) losses must be discovered within 12 months of the termination of the Trustee's appointment on the Body Corporate or the director's appointment on the Building Owner' board;
4. Should the Limit of Indemnity as insured in terms of this section be increased at any time during the currency of this section the maximum Limit of Indemnity of the Company shall not exceed the Limit of Indemnity applying at the time of the activity of fraud or dishonesty and in all not exceeding in all the Limit of Indemnity applying at the time of discovery.
  5. The maximum Limit of Indemnity shall apply to any activity of fraud or dishonesty committed by all persons involved with the activity whether in collusion or acting alone.
  6. If required by the Company, the Insured shall report the activity of fraud or dishonesty to the police and assist the police in all investigations to result in a criminal prosecution.

### Clauses and Extensions

#### 1. Accountants Clause

The Company agrees to accept all particulars and documents supplied in support of the Insured's claim prepared, supplied and signed by the Insured's accountant as prima facie evidence of the particulars and details to which they relate.



## Section 10 – Employers Liability

### Defined Events

The indemnity provided by this section is extended to include Bodily Injury suffered by any person employed by the Body Corporate or a Trustee of the Body Corporate on behalf of the Body Corporate or a Building Owner under a contract of service or apprenticeship and arising directly from and in the course of such employment by the above parties.

Provided that:

- (a) this Extension shall not apply to so much of such expenses as are recoverable under the Compensation for Occupational Injuries and Damages Act No. 130 of 1993 (COIDA), another policy of insurance effected by the Body Corporate or a Trustee of the Body Corporate acting on behalf of the Body Corporate or where COIDA specifically precludes the right of recovery.

### Limit of Liability

The amount payable inclusive of any legal costs recoverable from the Body Corporate or a Trustee of the Body Corporate acting on behalf of the Body Corporate or a Building Owner by a claimant or any number of claimants and other costs and expenses incurred with the Company's consent for any one event or series of events with one original cause or source shall not exceed R5,000,000 or the amount stated in the Schedule

### Extensions

#### Emergency Medical Expenses

The Company will indemnify the Body Corporate and a Trustee of the Body Corporate acting on behalf of the Body Corporate or a Building Owner for all reasonable expenses incurred by them for such immediate medical treatment as maybe necessary at the time of an accident causing injury to any person who maybe the subject of a claim for indemnity by the Insured in terms of this section.

### Memoranda

1. Where more than one Insured is named in the Schedule, the Company will indemnify each Insured separately and not jointly and any liability arising between such Insured shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the Company shall not exceed the Limit of Indemnity stated in the Schedule.
2. Provided that the aggregate liability of the Company is not increased beyond the Limit of Indemnity stated, the Company will also indemnify as though a separate policy had been issued to each
  - (a) In the event of the death of the Insured, any personal representative of the Insured in respect of liability incurred by the Insured





## AIG SME Buildings Policy

- (b) Any director, Trustee or Employee of the Insured (if the Insured so requests) against any claim for which the Insured are entitled to indemnity under this insurance.
3. In respect of this section only, General Exception 1 is deleted and replaced by the following:  
'This section does not cover injury, damage or liability directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.'
  4. If, at the time of any event giving rise to a claim under this section, indemnity is also provided under any other insurance, this section shall not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.
  5. The Company will not indemnify the Insured under this section in respect of damage to property belonging to any director, Trustee or Employee of the Insured or any visitor to the Property Insured.

### Specific exceptions

#### This section does not cover

1. Contractual Liabilities  
Liability assumed by the Insured under any contract, undertaking or agreement where such liability would not have attached to the Insured in the absence of such contract, undertaking or agreement.
2. Fines, etc.  
Fines, penalties, punitive exemplary or vindictive damages.
3. Gradual Impairment  
Liability for disease, illness or impairment attributable to a gradually operating cause which cannot be identified as having arisen out of a specific sudden and unforeseen event.
4. Any claim arising from an occurrence known to the Insured  
(a) which is not reported to the Company in terms of General Condition 6 prior to inception of this section.

## Section 11 – Image Protector

### Defined Events

Subject to the terms and conditions of this section of the Policy, the Company will pay the benefits shown in the Personal Accident Table of Benefits for loss or damage suffered by an Insured Person in respect of an Accident that occurs during the Period of Insurance whilst on the Premises of the Insured and that directly and within 24 months of the date of such Accident causes or results in a Bodily Injury and an Insured Event.

### Specific Definitions

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<b>Abuse of Stolen Cheques, Credit Cards</b>	means the wrongful, improper use of cheques and/or credit cards belonging to the Insured Person which are stolen as a result of any criminal activity that takes place on the Premises of the Insured. Any loss of credit cards must be reported within 24 hours to the issuing authority and the appropriate cancellation measures must be taken.
<b>Accident</b>	means a sudden, unexpected and specific event, which occurs at an identifiable time (moment or point of time) and place, which results in Bodily Injury.
<b>Accumulation Limit</b>	means the maximum liability of the Company under this section of the Policy in respect of any one Accident or number of Accidents arising from one source or cause.
<b>Aids</b>	means an opportunistic infection or a malignant neoplasm. For the purpose of this definition, the term "Acquired Immune Deficiency Syndrome" shall have the meaning assigned to it by the World Health Organisation. "Opportunistic infection" shall include but not be limited to pneumonia caused by pneumocystis carini, the organism of chronic enteritis virus and/or disseminated fungal infections. "Malignant Neoplasm" shall include but not be limited to Kaposi's Sarcoma, lymphoma of the central nervous system and or other malignancies now known or which may become known as immediate causes of death in the presence of Acquired Immune Deficiency Syndrome. "Acquired Immune Deficiency Syndrome" shall include H.I.V. (Human Immune Deficiency Virus), encephalopathy (dementia) or H.I.V. wasting syndrome.
<b>Any One Life Limit</b>	means the maximum liability of the Company under this section of the Policy to any one Insured Person specified in the Schedule.

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## AIG SME Buildings Policy

<b>Bodily Injury</b>	means physical trauma to an Insured Person caused by an Accident resulting, solely and independently of any other cause or any other physical defect or infirmity existing prior to the Accident, in an Insured Event as stated in the Personal Accident Table of Benefits within 24 months of the date of the Accident. Physical trauma caused by exposure to the elements of nature as a direct result of an Accident will be deemed to be a bodily injury.
<b>Cost for Replacement of Documents</b>	means the actual costs not exceeding the Sum Insured for the replacement of damaged or stolen identity documents or passports.
<b>Date of Loss</b>	means (a) for Illness, the first date of diagnosis or the date the Insured Person first became aware of the Illness, whichever occurs earlier; (b) for Bodily Injury, the date of the Accident
<b>Disappearance</b>	means the disappearance of an Insured Person, where it is probable that such Insured Person has died or where such Insured Person is legally declared dead by a court of law, as a result of an Accident. The Death benefit shall be payable after 24 consecutive months of such disappearance. If it is discovered that the Insured Person has not died, then the benefit so paid shall be repaid to the Company.
<b>Excess</b>	means the initial amount or period for which no benefit is payable.
<b>Foot</b>	means the entire foot below the ankle.
<b>Hand</b>	means the entire hand below the wrist.
<b>Hospital</b>	means a legally constituted establishment operated pursuant to the laws of the country in which it is based which meets all of the following requirements: <ol style="list-style-type: none"><li>it operates primarily for the reception, medical care and treatment of sick, ailing or injured persons on a resident in-patient basis;</li><li>it admits resident in-patients only under the supervision of a Medical Practitioner;</li><li>it maintains organised facilities for the medical diagnosis and treatment of such persons and provides (where appropriate) facilities for major surgery within the confines of the establishment or in facilities controlled by the establishment;</li><li>it provides a full-time nursing service by or under the supervision of a staff of nurses;</li><li>it is not a day clinic, health hydro or nature cure clinic, a mental institution, an institution confined primarily to the treatment of psychiatric disease, the psychiatric department of a hospital, a place for the treatment of chemical dependency, an establishment or a special unit of a hospital used primarily as a place for treatment of drug addicts or alcoholics, a hospice, a frail care centre, a rest home or a nursing, convalescent, rehabilitation, assisted living or extended care facility.</li></ol>



## AIG SME Buildings Policy

<b>Immediate Medical Treatment</b>	means a Medical Practitioner's treatment, consultations and prescribed or repeat maintenance medication in respect of treatment commencing within 24 hours of the time and date of the Bodily Injury.
<b>Insured Event</b>	means the list of insured events stated in the Schedule and/or Table of Benefits.
<b>Insured Person/s</b>	means visitors who lawfully enter the Premises of the Insured and shall exclude employees of the Insured.
<b>Medical Expenses</b>	means the Reasonable and Customary Charges levied by a registered medical or paramedical practitioner for actual costs incurred, up to the maximum limit stated in the Schedule and/or Personal Accident Table of Benefits, as a result of an Accident if an Insured Person's medical condition requires Immediate Medical Treatment. "Medical Expenses" excludes any amount of any compensation recoverable by or on behalf of an Insured Person under any occupational injury enactment or workmen's compensation enactment or any other similar legislation or any other insurance policy or medical aid scheme. "Medical Expenses" include the cost of necessary medical or surgical treatment, services, or supplies, including necessary hospital, nursing and ambulance services. "Medical Expenses" in respect of dental charges are limited to treatment of Bodily Injuries sustained to sound natural teeth and received within 30 days of the time and Date of Loss
<b>Medical Practitioner</b>	means a person registered with a current, legal licence to practise medicine, but excludes an Insured Person or a member of any Insured Person's immediate family.
<b>Permanent and Incurable Insanity</b>	means the Insured Person being diagnosed as permanently and incurably insane according to the usual and customary standards of the registered medical profession.
<b>Permanent and Incurable Paralysis</b>	means the complete and permanent loss of use of arms or legs, or one arm and one leg, through paralysis.
<b>Permanent and Total Loss</b>	means the loss by physical severance or the permanent and total loss of use of a Hand, Foot, thumb, toe, arm or a leg.
<b>Permanent and Total Loss of Hearing</b>	means the total, irreversible loss of hearing of all sounds confirmed by medical evidence relying on audio-metric and sound-threshold tests.
<b>Permanent and Total Loss of Sight</b>	means the total, irreversible loss of sight. Loss of sight will be deemed to have occurred if the degree of sight remaining after correction is 3/60 or less on the Snellen scale.
<b>Permanent and Total Loss of Speech</b>	means the total and irrecoverable loss of the ability to speak. "Loss of the ability to speak" means the inability to make a comprehensible word or an understandable verbal language.



<b>Permanent Disability</b>	means any one or more of the disabilities stated in point 3 of the Personal Accident Table of Benefits.
<b>Permanent Total Disablement</b>	means total and absolute disablement which entirely prevents an Insured Person from engaging in or giving attention to his or her usual occupation or any occupation for which the Insured Person is qualified or has received specialised training and which will in all probability be lasting and continuous for the lifetime of the Insured Person.
<b>Personal Effects</b>	means spectacles, purses, wallets, cosmetics and other personal effects normally worn or carried on the person.
<b>Post Traumatic Stress Disorder Therapy</b>	means psychotherapy to treat post traumatic stress disorder being an anxiety disorder characterised by an acute emotional response, which was caused solely by a violent criminal act or an attempt thereat where such violence is intended, used or made to overpower or subdue.
<b>Premises of the insured</b>	means the premises stated in the Schedule.
<b>Professional Player</b>	means an Insured Person who earns in excess of 50% of his or her income from playing sport or who participates in a sport that remunerates him or her as a means of livelihood.
<b>Reasonable and Customary Charges</b>	means the charges which are required for the treatment, supplies or medical service medically required to treat an Insured Person's condition; do not exceed the usual level of charges for similar treatment, supplies or medical services in the locality where the expenses are incurred; and do not exceed the charges for treatment that would have been made if no insurance existed.
<b>Terrorist Act</b>	means any actual or threatened use of force or violence directed at or causing damage, injury, harm or disruption, or commission of an act dangerous to human life or property, against any individual, property or government, with the stated or unstated objective of pursuing economic, ethnic, nationalistic, political, racial or religious interests, whether such interests are declared or not. Robberies or other criminal acts primarily committed for personal gain and acts arising primarily from prior personal relationships between perpetrator/s and victim/s shall not be considered Terrorist Acts. "Terrorist Act" also includes any act which is verified or recognised by the (relevant) government as an act of terrorism.
<b>War</b>	means war, whether declared or not, or any warlike activities (including use of military force) by any sovereign nation to achieve economic, geographic, nationalistic, political, racial, religious or other ends.

## Specific Conditions

1. The Insured shall give notice to the Company within 90 days of any material change in its Business.
2. The Company or the Insured may cancel this section of the Policy by giving 30 days notice in writing to the other party. In such event the Insured shall be entitled to a pro-rata refund of premium subject to any



minimum premium or adjustable premium provisions. If the Insured fails to pay the required premium on the due date, cover in respect of the Insured shall not incept or (in the case of a renewal) shall terminate at the end of the current policy period.

3. The onus will always be on the Insured or the Insured Person to ascertain, correctly admit and pay any tax liability in consideration of any benefit being paid that may in any form whatsoever incur tax or imposts of any nature.
4. All periods of insurance under this section of the Policy shall begin and end at 00H00 South African time.
5. This section of the Policy shall not be valid unless a Schedule relating to the section is attached so as to form part of the Policy and no alteration or addition to or variation or waiver by the Company or any of the Company's rights against the Insured or the Insured Person shall be in force or effect unless reduced to writing and signed by the Company.
6. Should any discrepancies arise between this Policy and any literature received by the Insured or the Insured Person, the terms, conditions, endorsements, terminations and exclusions in this policy will govern in all cases.
7. This section of the Policy cannot be ceded, assigned or in any way transferred to a third party. Benefits shall be payable only to the Insured or its legal representative whose receipt shall discharge the Company.
8. This section of the Policy is between the Company and the Insured only and all of its provisions and conditions are for the sole and exclusive benefit of those parties. Nothing in this Policy, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under this Policy or any of its provisions. Without limitation, no third party (including the Insured Person) shall have any rights under this Policy or any right to receive policy benefits.

### Specific Claims Conditions

1. Notice of claim and proof of loss
  - a) The Insured must give the Company notice in writing within 90 days of an Accident or any occurrence which may give rise to a claim under this section of the Policy. Notwithstanding this notice requirement, any benefit related to death (including Final Expenses if applicable) will only be payable if the Company receives written notification of the death within 30 days. The Company shall have the right to have a post mortem examination of the body conducted.
  - b) The Insured must, at its own cost, provide whatever certificates, information and documented evidence ("evidence") is required by the Company regarding the Accident, Bodily Injury or Insured Event.
2. Evidence

All evidence shall be furnished in the form prescribed and must be submitted to the Company within 90 days of the Insured's notification in terms of claims condition 1.
3. Medical Examination

The Insured Person shall submit to medical examination on behalf of and at the expense of the Company as often as shall be required in connection with any claim. Any report generated as a result of such examination shall be the property of the Company and shall be deemed to be confidential information of the Company.



4. Medical advice and/or treatment

Qualified medical advice and/or treatment shall be sought and followed promptly on the occurrence of any Bodily Injury. The Company shall not be liable for that part of any claim which in the opinion of its medical adviser arises from the unreasonable or wilful neglect or failure of an Insured Person to seek the advice of or remain under the care of a qualified Medical Practitioner.

5. Legal action

If the Company denies liability in respect of any claim and the Insured or the Insured Person does not institute legal action and serve summons on the Company (or initiate arbitration proceedings if the Company has agreed to submit to arbitration) within 12 months after such repudiation, all benefits under this section of the Policy in respect of such claim shall be forfeited.

6. Diagnosis of Permanent Total Disablement or Permanent Disability

The diagnosis and determination of Permanent Total Disablement or any Permanent Disability must be made and documented by a Medical Practitioner and must be continuous and permanent for at least 24 consecutive months from the onset of the disablement. However:

- a) for Permanent and Total Loss of Speech, the loss of the ability to speak must be continuous and permanent for at least 12 consecutive months and medical evidence must confirm injury to the vocal chords and all psychiatric related causes must be excluded; and
- b) for Permanent and Incurable Paralysis, the loss of use must be continuous and permanent for at least 12 consecutive months from the onset of the paralysis.

7. Interest

No sum payable under this section of the Policy shall carry interest under any circumstances.

8. VAT

The Company agrees that it will pay VAT in respect of any claim or settlement paid in terms of this section of the Policy.

9. Criminal incidents

All claims arising from criminal incidents are to be supported and accompanied by a certified police report.

10. The due observance and fulfilment of the terms, conditions, endorsements, terminations and exclusions of the Policy insofar as they are related to anything being done or complied with by the Insured or the Insured Person shall be a condition precedent to liability to make any payment under this section of this Policy.

11. The Insured shall not be entitled to recover benefits under this section of the Policy exceeding 100% of the compensation in respect of any one benefit. As soon as the Insured has received such compensation, all further rights of the Insured in respect of such benefit shall cease.

12. The Company's liability to the Insured in respect of any one Insured Person for all compensation arising out of any one Accident and/or occurrence shall be limited to the amount stated in the Schedule under the Any One Life Limit.

13. The Company shall not be liable under this section of the Policy for more than the Accumulation Limit as stated in the Schedule in respect of any one Accident and/or occurrence or number of Accidents and/or occurrences arising from one source or cause.

14. Any claim for Personal Effects, Abuse of Stolen Cheques, Credit Cards and Documents must be accompanied by a police report.



15. In respect of claims for damage to clothing, the onus shall rest with the Insured Person to prove that such damage occurred on the Premises of the Insured and such clothing must be furnished to the Company before a claim will be considered.
16. In respect of jewellery claims, proof of purchase or original or certified copies of valuation certificates must be produced for items in excess of R500.
17. The Insured Person must first attempt to recover any loss from the misuse of his/her credit card or cheque from his/her bank.
18. The Company shall not be liable to pay any benefit for Medical Expenses directly to the Medical Practitioner or other medical service provider.

### Specific Exclusions

The Company will not be liable to pay any benefit under this section of the Policy in respect of any Insured Person for any Insured Event caused by or arising directly or indirectly from:

1. direct participation in any violent labour disturbances, strike, lock-out, riot, civil commotion or public disorder;
2. being in service or on duty with or undergoing training with any military, police force, militia or paramilitary organisation;
3. participating in any sport as a Professional Player;
4. investigations, operations or treatment of a purely cosmetic nature other than as a direct result of an Accident;
5. mental disorders including, but not limited to eating disorders, anxiety disorders, psychotic disorders, affective disorders, personality disorders, substance use disorders, somatoform disorders, dissociate disorders, psychosexual disorders, adjustment disorders, organic mental disorders, mental retardation and autism unless caused by an Accident;
6. War, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military or usurped power;
7. the intentional use of military force to intercept, prevent, or mitigate any known or suspected Terrorist Act;
8. any Terrorist Act or bomb incident or threat thereof;
9. the use, release or escape of nuclear materials that directly or indirectly results in ionising, radiation or contamination by radioactivity from any nuclear fuel or from nuclear weapons or materials. For the purpose of this exclusion only, combustion shall include any self-sustaining process of nuclear fission;
10. the dispersal or application of pathogenic or poisonous biological or chemical materials;
11. wilful or deliberate exposure to danger (except in an attempt to save human life), intentional self inflicted injury, suicide or attempt thereof, or arising out of non-adherence to medical advice;
12. the conditions commonly known as AIDS or HIV and/or any related illness or condition including derivatives or variations thereof, howsoever, acquired or caused;
13. a) an Insured Person being under the influence of alcohol with more than the legal limit of alcohol in his blood or breath; or





## AIG SME Buildings Policy

- b) an Insured Person being under the influence of drugs or narcotics unless such drugs or narcotics were administered by a Medical Practitioner or unless prescribed by and taken in accordance with the directions of a Medical Practitioner; or
  - c) an Accident occurring whilst an Insured Person was driving a motor vehicle with more than the legal limit of alcohol in his or her blood or breath; or
  - d) alcoholism, substance abuse, solvent abuse, drug abuse or addictive conditions of any kind;
14. deliberate violation of criminal law;
  15. the failure of any agent or broker to explain adequately the terms, conditions, endorsements, terminations and exclusions of sections of this Policy.
  16. illness;
  17. damage or loss arising from wear and tear, deterioration, atmospheric or climatic conditions, mould or fungus, insects, rodents, vermin, or any process of cleaning, ironing, pressing, repairing, restoring or alteration;
  18. damage to property belonging to, or in the custody or control of, the Insured or any employee of the Insured;
  19. Bodily Injury caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the Insured or an Insured Person;
  20. loss or damage to cash, bonds, bank and currency notes, coins, coupons, stamps, manuscripts, securities or any other document of monetary value belonging to the Insured or the Insured Person;
  21. loss or damage caused by the dishonesty of any partner, principal, director, or person/s in the employ of the Insured;
  22. Bodily Injury or damage caused by animals;
  23. Bodily Injury or damages caused solely by an existing physical defect or other infirmity of such Insured Person;
  24. theft or attempted theft of Personal Effects left unattended other than when securely locked inside a building or securely locked out of sight inside a motor vehicle.

If the Company alleges that by reason of clauses 11, 12, 13, 14, 23 or 24 of the above exclusions, loss or damage is not covered by this section of the Policy, the burden of proving the contrary shall rest on the Insured.

## The Personal Accident Table of Benefits

Insured Event	Sum Insured expressed as a percentage
1. Death as a result of an Accident	100%
2. Permanent Total Disablement as a result on an Accident	100%
3. Permanent Disability	
3.1 Permanent and Total Loss of:	
a) Both hands or both feet	100%
b) One hand and one foot	100%
c) Either hand or foot and sight of one eye	100%
d) One hand or one foot	50%
3.2 Permanent and Total Loss of Sight in:	
a) Both eyes	100%
b) One eye	50%
3.3 Permanent and Total Loss of Hearing in:	
a) Both ears	75%
b) One ear	25%
3.4 Permanent and Total Loss of Speech	100%
3.5 Permanent and Incurable Insanity	100%
3.6 Permanent and Incurable Paralysis	100%
3.7 Permanent and Total Loss of four fingers and thumb of either hand	70%
3.8 Permanent and Total Loss of four fingers of either hand	40%
3.9 Permanent and Total Loss of thumb of either hand	
a) Both joints	30%
b) One joint	15%
3.10 Permanent and Total Loss of a finger of either hand:	
a) Three joints	10%
b) Two joints	7.5%
c) One joint	5%
3.11 Permanent and Total Loss of toes of either foot:	
a) All on one foot	15%
b) Great toe – both joints	5%
c) Great toe – one joint	3%
d) Other than great toe – each toe	1%
3.12 Fracture of leg or patella with established non-union	10%
3.13 Shortening of leg by at least 5cm	7.5%
3.14 Permanent disabilities not otherwise provided for under Insured Events 3.1 – 3.13	Up to a maximum of 15%
4. Medical Expenses (if stated in the schedule to be included) Bodily Injury as a result of an Accident	Actual costs not exceeding the Option Limit selected in the schedule

<p>5. Post Traumatic Stress Disorder The actual cost to treat Post Traumatic Stress Disorder</p>	<p>Actual costs not exceeding the Option Limit selected in the schedule</p>
<p>6. Personal Effects (if stated in the schedule to be included) The actual costs not exceeding the sum insured for damage or theft of Personal Effects whilst on the Premises of the insured</p>	<p>Actual costs not exceeding the Option Limit selected in the schedule</p>
<p>7. Abuse of Stolen Cheques and/or Credit Cards (if stated in the schedule to be included) The wrongful, improper or misuse of cheques and/or credit cards that is stolen during any criminal activity whilst on the premises of the insured.</p>	<p>Actual costs not exceeding the Option Limit selected in the schedule</p>
<p>8. Cost of Replacement Documents (if stated in the schedule to be included) The actual costs not exceeding the sum insured for the replacement of damaged or stolen documents</p>	<p>Actual costs not exceeding the Option Limit selected in the schedule</p>

## Specific Provisos

1. The Company shall not be liable to pay any Benefit under this section of the Policy in respect of an Insured Person:
  - a) for Permanent Total Disablement unless the Insured submits proof satisfactory to the Company that the disablement will in all probability continue for the remainder of the Insured Person's life;
  - b) for more than 100% of the Sum Insured when more than one injury occurs arising out of the same Accident;
  - c) under more than one category for more than 100% of the Sum Insured as stated in the Personal Accident Table of Benefits. The benefit payable shall be the highest within the appropriate category.
2. If the Insured Person sustains Permanent Total Disablement as a result of an Accident and the claim in relation to that disability is admitted and accepted, the benefit will be paid and all cover under this section of the Policy in respect of such Insured Person shall cease.
3. Any benefit will be subject to the sliding scale in the Personal Accident Table of Benefits.
4. The degree of Permanent Total Disablement will be determined immediately after it is established or as soon as it can reasonably be assumed that there will be no further improvement or worsening of the Insured Person's condition in consequence of the Accident, but not later than 24 months from the Date of Loss.
5. If the consequences of an Accident are aggravated owing to an Insured Person's existing ailment, infirmity or other abnormal physical or mental condition, determination of the benefit will be based on the consequences the Accident would have had, had such defects not existed. The foregoing shall not apply, however, if such



## AIG SME Buildings Policy

circumstances are a consequence of an earlier Accident to the Insured Person, for which benefit has been or will be paid under this section of the Policy.

6. If the Insured Person's existing ailment, infirmity or other abnormal physical or mental condition is aggravated by an Accident, the compensation may be claimed equivalent only to a percentage of the amount insured for an Insured Event pro rata to the difference in the degree of ailment, infirmity or other abnormal physical or mental condition before and after the Accident. The degree of ailment, infirmity or other abnormal physical or mental condition before the Accident will be determined by medical evidence.



## Section 12 – Kidnap and Wrongful Detention

### Defined Events

The Company will indemnify the Insured Person up to the amount specified in the Schedule of Benefits for Covered Losses should any of the following Insured Events happen to an Insured Person whilst within the Territorial Limits:

1. Kidnapping or alleged Kidnapping of an Insured Person; or
2. Wrongful Detention.

### Covered Losses

We will indemnify the Insured Person for the following covered losses:

Reasonable fees and expenses of NYA International who will guide the insured through the negotiation and handling of the Insured Event.

### Definitions

#### Informant

shall mean any person, other than the Insured Person, providing information not otherwise obtainable, solely in return for a reward offered by the Insured Person.

#### Insured Person

shall mean any director, officer or full time employee of the Insured listed in the Policy Schedule.

#### Kidnapping

shall mean any event or connected series of events of seizing, detaining or carrying away by force or fraud of the Insured Person by person/s for the purpose of demanding ransom monies or other benefit or conduct.

#### Wrongful Detention

shall mean the arbitrary or capricious act of involuntary confinement of the Insured Person by person/s acting as agent/s or with the approval of any government of government entity, or acting or purporting to act on behalf of any insurgent party, organisation or group. A connected series of wrongful detentions will be considered as one wrongful detention.

#### Victim

shall mean an Insured Person who is the subject of Defined Event.

### Territory

The area which on 1st January 1976 constituted the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Zambia and Malawi.



## **Exclusions (In addition to the General Exceptions applying to all Sections)**

The Company will not be liable for loss caused by or resulting either directly or indirectly from or involving:

1. The fraudulent, dishonest or criminal acts of the Insured Person, or any person authorised by the Insured Person to have custody of ransom monies. This Exclusion will not apply to the payment of ransom monies by the Insured Person in a situation where the authorities have declared such payment illegal.
2. Any violation of the laws of the host country by the Insured Person or failure to maintain and possess duly authorised and required documents and visas.
3. Failure of the Insured person to evacuate from the host country within 10 days after the issuance of a government advisory to do so or travel to country/countries after an advisory has been issued not to do so.
4. The Insured Person taking part in the operations of any governmental organisation, official law enforcement or military force.

## **Conditions**

### **1. Confidentiality**

The Insured Person/s will use all reasonable efforts not to disclose the existence of this Section. This condition will also apply to any other insurance.

### **2. Limits of Liability**

For each Covered Loss the maximum limit and aggregate limit of the Company's liability will not exceed the Sum Insured/s stated in the Schedule of Benefits and Policy Schedule by reason of any one event, except where stated to the contrary. All Covered Losses will be deemed to have been incurred during the Policy Period in which the event occurred.

### **3. Due Diligence**

The Insured Person/s will use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss/es insured under this section.

### **4. Other Insurance**

The insurance provided under this section will be in excess over any other valid and collectable bond or insurance.

### **5. Statement of Loss**

The Insured Person will file a detailed, sworn statement of loss with the Company as soon as possible after the Date of Loss.

### **6. Non-employee Directors**

In the event that the Insured Person is a non employee director and is insured under any other similar Policy or Policies issued by the Company (or by any other member or affiliated insurance company of the American International Group, Inc.) and a loss involving that director is reported under this Policy and under one or



## AIG SME Buildings Policy

more such other Policies, then the Company's aggregate liability (including that of any of the Company's other member company/ companies for each loss will not be cumulative and will not exceed the highest limits of liability applicable to each loss under any one of the Policies.

### **7. Non-assignment**

This section may not be assigned or transferred.

### **8. Assistance and Co-operation**

The Insured Person/s will co-operate with the Company in all matters relating to this insurance. This may include attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in achieving settlements, and in conducting litigation, arbitration, or other proceedings.

### **9. Inspection and Audit**

The Company may examine and audit the Insured Person business documents, relating to the subject matter of this insurance until 3 years after this Policy has expired or has been cancelled. Any premium due for exposure, which exists but was not reported, will be determined by the Company audit and must be paid on demand.

### **10. Recoveries**

In the event of any payment under this section, all recoveries, net of the Company's actual recovery costs, will be distributed firstly to the Company for all amounts paid by the Company under this section and any remainder will be paid to the Insured Person.

### **11. Action Against Company**

No suit, action or proceeding for recovery of any loss under this section will be sustainable in any court of law, equity or other tribunal unless all requirements of this section are complied with and it is commenced within 12 consecutive months after the Insured Person has filed a statement of loss with the Company.

### **12. Concealment, Misrepresentation or Fraud**

This section is null and void in case of fraud, concealment, or misrepresentation by the Insured Person of a material fact concerning:

- 12.1 This insurance or the procurement of it; or
- 12.2 An Insured Person; or
- 12.3 Any loss or claim presented to the Company.

### **13. Changes**

Notice to any of the Company's representatives or knowledge possessed by any representative or by any person will not create a waiver or a change in any part of this section or stop the Company from asserting any right under the terms of this section, nor will the terms of this section be waived or changed unless agreed to in writing by the Company.



## AIG SME Buildings Policy

### 14. Notices

Except as indicated to the contrary, all notices, applications, demands or requests provided for in this section will be in writing and will be given to or made upon either party at its address shown in the Policy.







CONTACT NUMBER IN THE EVENT OF  
AN INSURED EVENT

**1-817-826-7000**

**COLLECT FROM ANYWHERE IN THE WORLD**



The Call Centre is operated  
24 hours a day, 365 days a year.

