PREAMBLE:

This section of the policy serves as a procedure guideline to submitting claims that may arise in terms of the General Insurance Fund Policy. The policy remains the superior document.

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SECTION I
GENERAL PROCEDURE TO SUBMIT INSURANCE CLAIMS

The Insured shall on the happening of any event, which may give rise to a claim under this policy, at its own expense, (unless extraordinary cost and prior approval):

(1) inform the General Insurance Fund as soon as reasonably possible and furnish particulars of any other insurance covering such events;

(2) as soon as possible after the event notify the police and the Municipality’s Loss Control and Disaster Management Department of any claim involving theft of property and take all reasonable steps to discover the guilty party and to recover the property stolen or lost;

(3) as soon as possible after the event, submit to the Fund in writing full details of any claim on the prescribed claim forms:
   (a) Departmental Claims:- (for example: Fire and Allied Perils, Business All Risks, Business Interruption, Fidelity, Money), complete claim form as per Annexure A;
   (b) Houseowner’s Comprehensive: complete form as per Annexure B;
   (c) Motor Vehicle and Watercraft – complete form as per Annexure C;
   (d) Public Liability – complete form as per Annexure D;
   (e) Claim from a member of the public – complete form as per Annexure E;
   (f) C.O.I.D.A. – complete form as per Annexure F; and
   (g) Stated Benefits – complete form as per Annexure G.

(4) furnish the Fund with such proof, information and sworn declarations as the Fund may require, and immediately deliver to the Fund any notice of claim or communication whatsoever, writ, summons or other legal process issued or commenced against the Insured in connection with the event giving rise to the claim;

(5) no claim shall be payable, after the expiry of 60 months after the happening of the event unless such claim is the subject of pending legal action or is a claim in respect of the Insured’s legal liability to a third party. This condition does not apply to Business Interruption, Fidelity, C.O.I.D.A and Stated Benefits; and

(6) 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 Fund and/or its Re-Insurer provided that the Insured’s reasonable expenses in rendering such assistance shall be reimbursed by the Fund. Should the Insured fail to render assistance in terms of this condition when called on to do so, the Insured shall immediately become liable to repay to the Insurer all amounts paid in respect of the claim.

SECTION II

PROCEDURE TO SUBMIT DEPARTMENTAL CLAIMS
On the happening of the event, either damage to Municipal property or loss of Municipal property:

(1) insured is required to complete and submit “Loss or Damage to Council Property” claim form, (Annexure A);

(2) if claim is accepted by the Fund, details are captured on the Insurance System and given a claim number;

(3) if not accepted, Insured will be informed;

(4) insured is required to proceed with repairs or replacement of goods, within the framework of the Council’s financial regulations;

(5) insured is required to pay service provider and debit the department’s insurance recoverable vote;

(6) on completion of work, Insurance Branch requires a Final Cost Certificate, (refer to Annexure K). Insured is required to advise vote to credit. Generally it is the department’s insurance recoverable vote; and

(7) in the event of theft, notify the police and Municipality’s Loss Control and Disaster Management Department.

SECTION III
PROCEDURE TO SUBMIT PUBLIC LIABILITY CLAIMS
There have been instances where Third Party Claimants have inferred that the Municipal Employees with whom they have discussed their claims, have intimated that the Municipality was responsible for the injury/damage which was the subject of their complaint and that the General Insurance Fund will meet their claims.

Please ensure that the following procedures are adopted as Municipal Employees are not authorised to commit the Municipality in any way:-

1) Do not admit any liability or leave the third party with the impression that the claim will be met.

2) Under no circumstances should words be used such as “have the motor car/radio/refrigerator or any other item repaired and send the account to the City Treasurer”.

3) The Claimant should be informed that even if he assumes the Municipality is under a liability, he should where possible obtain at least three quotations, to effect the repairs. These quotations should be referred under cover of a written claim or complete a claim form as per Annexure E, to the Deputy City Manager: Treasury, Insurance Branch, P O Box 828, Durban, 4000 or Fifth Floor, Martin West Building, 221 Smith Street, Durban 4001.

4) If the Claimant is referred as mentioned above, it must be made clear that this is for the purpose of enabling his/her claim to be investigated, in respect of both liability and quantum.

5) The Municipal Employee concerned must, as soon as possible, complete the Injury to a Member of the Public or Damage to Third Party Property Claim Form, as per Annexure D, and submit this to their Insurance Sections who in turn must forward the claim to the Deputy City Manager: Treasury, Insurance Branch and not the Legal Section irrespective of whether the Legal Section was consulted.

6) Where damage was caused by a municipal motor vehicle, the appropriate Motor Vehicle Accident Report, as per Annexure C, must be completed and submitted as above.

7) In the event of an accident:
   (a) The driver must take down particulars such as:-
      (1) vehicle registration number;
      (2) name and address of driver;
      (3) name of the company; and
(4) witness details.

(b) The accident must be reported to the nearest police station and obtain a police reference number.

8) The accident report must be completed immediately and handed to the Section Head.

9) Where appropriate, the foregoing provisions should also be adhered to when a vehicle is hired.

10) Drivers are reminded that the aforementioned procedure must be adhered to as any transgressions may result in disciplinary action.

11) Should authorised passengers be conveyed in a Municipal vehicle, such passengers are required to indemnify the Municipality against any claim which may arise. In this instance, form as per Annexure H should be completed.

12) Vehicle must be used in accordance with “Description of Use” as mentioned in the Policy.

Reminder: vehicle should not be used for social, domestic or pleasure purposes.

13) In the event of recovery from employee, complete the “Admission of Liability and Acknowledgment of Debt” form, as per Annexure I, and forward same to Insurance Branch.

SECTION IV

PROCEDURE TO SUBMIT C.O.I.D.A. CLAIMS


The requirement and procedure is as follows:
(1) Staff clerks in various departments have to complete WCL2, as per Annexure F. Capture the information from WCL2 onto the Insurance system.

(2) The file is opened for each and every claim within a week on receipt of WCL2 by a clerk in the Insurance Branch.

(3) Staff clerks have to insert claim numbers and send the following documents as soon as they receive these documents from the doctors.

  - First Medical Reports (W.C.L.4)
  - Progress Medical Reports (W.C.L.5)
  - Final Medical Reports (W.C.L.5)
  - Referrals Notes (if applicable)
  - Doctor’s prescription
  - Accounts/ Statements/ Invoices.

(4) Staff clerks needs to send the resumption of duty report as soon as the employee returns from sick leave.

(5) eThekwini Municipality as an individually liable employer is authorised to pay reasonable medical expenses. For any disability awards or where doubt exists whether the employer is liable, information is sent to the Compensation Commissioner in Pretoria for their decision.

It is of utmost importance that the employee’s service number is on each WCL2, medical reports and on accounts to facilitate quick payment of accounts.

SECTION V

PROCEDURE TO SUBMIT STATED BENEFIT CLAIMS

(1) Claim form, as per Annexure G, received from the staff clerks and date stamped by a clerical assistant. The claim form must be accompanied by the following documents:

  - Death Certificate.
  - Identity document of the deceased.
  - Marriage certificate or any proof of marriage.
• Declaration by widow/widower/dependant (WCL32).
• Birth certificates of all children under 18 years of age.
• Copy of identity document of widow/widower/dependants.

(2) Within a week the claim is registered in the Insurance system by a Coida clerk.

(3) The Insurance Branch waits for Commissioner’s percentage award for disability claims.

(4) Once the award is received from the Commissioner, the claim is paid.

SECTION VI

PROCEDURE TO SUBMIT S.A.S.R.I.A. CLAIMS

S.A.S.R.I.A. means: South African Special Risks Insurance Association. This is a special cover and department needs to specify if such cover is required.

The General Insurance Fund Policy does not cover loss or damage to property caused by civil commotion, labour disturbances, riot, strike, lockout and public disorder.

Should a claim arise from one of the causes aforementioned, a claim can be made against S.A.S.R.I.A. , provided that the department has taken such cover.
The requirement and procedure is as follows:

(1) if the Department requires S.A.S.R.I.A. cover, such requirement must be specified on the Combined (Fire and Allied Perils) Schedule sent to the departments annually;

(2) should S.A.S.R.I.A. cover not be specified, such cover will not be obtained;

(3) in the event of a S.A.S.R.I.A. claim, the department must complete a claim form, as per Annexure A, and forward same to Insurance Branch;

(4) Insurance Branch (Insurance Officer) to capture claim as cover type 16, (S.A.S.R.I.A.) and forward the claim form to the Loss Adjuster;

(5) the Loss Adjuster to complete the necessary S.A.S.R.I.A. claim form and forward to S.A.S.R.I.A.

(6) the claim amount less the excess is paid to the Insurance Branch;

(7) Insurance Branch, (Insurance Officer), will credit the relevant Department and cancel the claim on the insurance system;

(8) should there be a shortfall or should the claim be repudiated by S.A.S.R.I.A. the department will bear the full cost of the claim; and

(9) Manager: Insurance, to review cover type 16 on a monthly basis.

SECTION VII

POLICY ON PERSONAL EFFECTS

In terms of the City Manager’s Circular No. 37/2002 dated 31 October 2002;

(8) Expensive items of jewellery should not be worn by employees whilst on duty.

(9) It is expected that employees, in their own interests, will ensure that any valuable items of jewellery (including wrist watches) worn on duty, and/or tools are adequately insured against loss or theft.
(10) The carrying of unreasonably large amounts of cash, credit cards or other easily stolen and rapidly convertible items should be avoided during working hours as far as is practicable.

(11) In considering any claims for compensation for tools, cash or personal effects lost, stolen or damaged whilst on duty, the Council will take into account the fact that employees have been warned to avoid wearing expensive personal effects or carrying large amounts of cash, as well as the fact that employees are expected to insure themselves against such losses. Furthermore, compensation will only be awarded after incidents have been reported to the police where theft or robbery is involved and employees will be called upon to validate as far as possible their losses.

(12) The maximum value of any ex-gratia award which may be made by an Executive Director is R500 for any incident.

(13) In the case of a request in excess of the delegated limit, such cases shall be referred to the Executive Committee in terms of a comprehensive report on the circumstances surrounding the incident, including a departmental recommendation.

SECTION VIII

POLICY ON LOCOMOTION ALLOWANCE

When an employee receives a locomotion allowance the Insurance branch requires the following:

A. Subsidized Vehicles – Privately Insured (Full Locomotion)

(1) Form from Chief Clerk or Senior Clerk (Locomotion Section) confirming the locomotion allowance.

(2) The insurance policy that covers the vehicle comprehensively and for business use.
(3) Registration certificate if the vehicle is registered or tax invoice if the vehicle is not registered. (The tax invoice must have the name of the person, make of the vehicle, model, engine number and chassis number)

(4) Indemnity form stamped and signed by the broker or underwriter. (Copy of the indemnity form attached).

B. **Subsidized Vehicles – Group Scheme (Full Locomotion)**

(1) Form from Chief Clerk or Senior Clerk (Locomotion Section) confirming the locomotion allowance.

(2) Registration certificate if the vehicle is registered or tax invoice if the vehicle is not registered. (The tax invoice must have the name of the person, make of the vehicle, model, engine number and chassis number).

C. **Subsidized Vehicles – ADHOC.**

(1) Form from Senior Clerk (Locomotion Section) confirming the locomotion allowance.

(2) Insurance policy with cover for limited business use and the balance of third party insurance.

(3) Registration certificate if the vehicle is registered or tax invoice if the vehicle is not registered. (The tax invoice must have the name of the person, make of the vehicle, model, engine number and chassis number)

(4) Indemnity form stamped and signed by the broker or underwriter.

D. **Changing from Private Insurance to Group Scheme**

(1) Form from Chief Clerk or Senior Clerk (Locomotion Section) confirming the locomotion allowance, only when a person is changing the car.

(2) Registration certificate.

(3) Letter of confirmation of a no claim bonus from the broker or underwriter.
E. **Cancellation From Group Scheme**

(1) Written notification before the 10\textsuperscript{th} of the month, if the cancellation is effective from that particular month. After the 10\textsuperscript{th} the cancellation will be for the following month.

(2) Proof of insurance cover before the cancellation is effective unless a person is retiring.

(3) Indemnity form if the vehicle is to be insured privately.

*(PLEASE NOTE THAT THERE WILL BE NO PRO-RATA REFUNDS WHEN CANCELLING FROM GROUP SCHEME)*

**Contact Persons:**

Senior Clerk: Pay Administration  
Telephone: 311-3028 (locomotion allowance)

Clerk: Insurance  
Tel.: 311 1550 (insurance)

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**SECTION IX**

**ACCESS TO INSURANCE SYSTEM**

The General Insurance Fund has an informative insurance system on the Council’s mainframe. Access to the insurance system is easily obtainable.

In order to gain access to the insurance system:

(1) complete the Change Request Form, (Annexure J), and forward same to the Financial Officer, Insurance Branch; and

(2) indicate functions required, for example;

- view claims payment - shows the amount paid, supplier that has been paid and date of payment; and
- view claim by reference number - shows the insurance claim number;
SECTION X

INFORMATION FOR STATISTICAL PURPOSES

(1) Insurance Branch compiles statistical reports as at 30th June and 31st December of each year.

(2) Department must ensure that all known C.O.I.D.A. claims in respect of injuries and all known motor vehicle claims in respect of accidents are captured on the insurance system by not later that the second week of July, (for June statistics), and not later than the second week of January, (for December statistics).
SECTION XI

HOW TO COMPLETE DIFFERENT SCHEDULES

1. COMBINED SCHEDULE - BUILDINGS

(a) Once a year Real Estate department is requested to give the Insurance branch a percentage to use in increasing all the Municipality buildings;
(b) the percentage gets updated into the Insurance system; and
(c) combined and HOC schedules are run and sent to Real Estates to check the percentage used, and to certify that the insured amount is correct.

2. COMBINED SCHEDULE - CONTENTS

(a) Once a year various departments are requested to give the Insurance branch the percentage to use in increasing all the contents;
(b) the percentage gets updated into the system; and
(c) combined schedule and HOC is run and sent to all departments to check the percentage used, and to certify that the insured amount is correct.

3. CERTIFICATION OF SCHEDULES

3.1 COMBINED AND HOUSEOWNER’S COMPREHENSIVE SCHEDULE
After the estimates have been calculated in terms of % rate determined by the Departments, Combined and Houseowner’s comprehensive schedules are sent out to departments for them to:

(a) Ensure that all buildings and contents appear on the listing.
(b) Delete all items that are no longer in existence.
(c) Ensure that assets are insured as at day one average. For buildings changes in insured values are done by Real Estates, and for contents changes are done by departments.
(d) Sign a certification letter to confirm that all the information contained in the schedules is correct.

3.2 S.A.S.R.I.A.
In the combined and houseowner’s comprehensive schedules there is a column for SASRIA.

The blank space in SASRIA column indicates that the item is not covered for SASRIA.
01 or 02 indicates that the item is insured for FIRE and Special Risk Insurance.
SC or SD indicated that the item is covered for Special Risk only.
It is the responsibility of the department to ensure that items are covered for fire and SASRIA. The departments have to indicate in the column if they need cover.

3.3 LANDSLIP AND SUBSIDENCE
In the combined and houseowner’s comprehensive schedules there is a column for Subsidence and Landslip.

The blank space in subsidence and landslip column indicates that the item is not covered for subsidence and landslip, and a Y indicates that the item is covered.

It is the responsibility of the department to ensure that items are covered for subsidence and landslip. The departments have to indicate in the column if they need cover.

4. MOTOR VEHICLE COMPREHENSIVE
Motor Vehicle Comprehensive Schedule is sent out once a year to departments for them to:
(a) Ensure that all vehicles appear on the listing, and that details are correct.
(b) Delete all vehicles that are no longer in existence.
(c) Ensure that vehicles are insured at replacement values and coded correctly.
(d) Sign a certified letter to confirm that all the information in the Schedules is correct.

5. WATERCRAFT SCHEDULE

Watercraft Schedule is sent out once a year to departments for them to:

(a) Ensure that all items appear on the listing.
(b) Delete all items that are no longer in existence.
(c) Ensure that items are insured at replacement values and coded correctly.
(d) Sign a certified letter to confirm that all the information in the Schedules is correct.

SECTION XII

INSURANCE CLAIMS EXPERIENCE

(1) The Insurance Branch compiles statistical reports as at 30th June and 31st December of each year. This report shows the number of claims received by the Insurance Branch over 4 years and the total value of those claims, (paid and outstanding).

(2) This report/schedule is sent to Department Heads twice a year.

(3) Premiums charged to the departments are based on 4 years claims experience. The increase in the number of claims result in the increase in the premiums charged.

(4) Department Heads are required to examine the Claims Summary Report and review their risk management.
Self Insurance Reserve Policy

For

eThekwini Municipality
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Self Insurance Reserve Policy

Preamble

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


This insurance, including any sections, schedules, specifications, provisions, clauses and extensions attached hereto, shall be read together as one contract and any expression to which a particular meaning has been attached shall bear such meaning wherever it may appear.
## The Schedule

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<th>The Insurer</th>
<th>Self Insurance Reserve of the eThekwini Municipality</th>
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<tr>
<td>The Insured</td>
<td>The eThekwini Municipality (VAT Registration No. 4880193505), the Durban Pension Fund and/or Companies/Entities under their control or management for which they have authority to insure jointly or severally, and/or Sports / Social Clubs and/or Medical Aid/Pension / Provident Funds, and such Funds’ Employees / Trustees / Officials and/or directors / employees, including Contractors/Sub-Contractors as required in terms of any contract document, on whose behalf insurance has been effected, jointly and severally, for their respective rights and interests.</td>
</tr>
<tr>
<td>Postal Address</td>
<td>P O Box 828, Durban, 4000</td>
</tr>
<tr>
<td>Period of Insurance</td>
<td>From 1 July 2010 to 30 June 2011 (both days inclusive) and any other subsequent period for which the Insurer may accept payment or any other period specifically agreed.</td>
</tr>
<tr>
<td>Renewal Date</td>
<td>1 July, unless specifically stated.</td>
</tr>
<tr>
<td>The Business</td>
<td>Local Authority, Property Owners, Tenants and all other activities associated with the Insured’s business.</td>
</tr>
<tr>
<td>The Premises</td>
<td>All situations and/or locations owned, occupied, leased, hired or used by the Insured for the purpose of the business anywhere within the Territorial Limits.</td>
</tr>
<tr>
<td>Territorial Limits</td>
<td>Anywhere in the world, but not in connection with any business carried on by the Insured outside of Africa South of the Equator.</td>
</tr>
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</table>
**Limits of Liability**

Are applicable after the subtraction of any Deductible and apply for each and every loss and/or series of losses arising out of any one event at any one location:

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<th>Description</th>
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<tr>
<td>1.1 Fire, lightning, explosion, storm and special perils, sprinkler leakage, smoke contamination, charring, smoke (including fumes and gases) spontaneous combustion, subsidence and landslip, malicious damage (including during/following theft), earthquake (including earthtremor arising from mining operations), and/or riot and strike (outside of Republic of South Africa and Namibia) in respect of:</td>
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<tr>
<td>1.1.1 Houseowners</td>
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<td>1.1.2 All Other Buildings, Structures and Contents</td>
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<td>1.1.3 Vehicles parked at Insured's premises, following loss or damage as referred to in 1.1. above</td>
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<td>1.1.4 Goods in Transit</td>
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<td>1.1.5 Theft</td>
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<td>1.1.6 Machinery Breakdown (Blanket Basis)</td>
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<td>7. Any other loss or damage, not otherwise insured or excluded</td>
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**Section B**

**Business Interruption**

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<tbody>
<tr>
<td>1. Revenue</td>
<td>R 10 000 000</td>
</tr>
<tr>
<td>2. Increase in Cost of Working</td>
<td>R 10 000 000</td>
</tr>
<tr>
<td>3. Additional Increased Cost of Working, including Reinstatement of Data</td>
<td>R 10 000 000</td>
</tr>
<tr>
<td>4. Fines, Penalties &amp; Cancellation Charges</td>
<td>Nil</td>
</tr>
<tr>
<td>Indemnity Period</td>
<td>24 months</td>
</tr>
</tbody>
</table>

**Section C**

**Motor Vehicles**

<table>
<thead>
<tr>
<th>Description</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Own Damage</td>
<td>R 10 000 000</td>
</tr>
<tr>
<td>2. Liabilities</td>
<td>R 10 000 000</td>
</tr>
</tbody>
</table>
Section D
Public Liability

1. General .......................................................... R 10 000 000 any one claim/period of insurance

2. Municipal Police Activities..........................

3. Spread of Fire

4. Wrongful Arrest/Defamation .................. R 5 000 000 any one claim/period of insurance

5. Product Liability/Defective Workmanship .... R 10 000 000 any one claim/period of insurance

6. Legal Defence Costs .................................. R 5 000 000 any one claim

Section E
Employers Liability

Retroactive Date: 1 July 2002

R 10 000 000

Section F
Compensation for Occupational Injuries/Diseases .... R 10 000 000

Section G
Surcharge Indemnity........................................ R 10 000 000

Section H
Stated Benefits
- First Loss and Accumulation
- Death
- Permanent Disability

R 5 000 000

3 x annual salary

Percentage of Death benefit according to disability

SECTION I
CONTRACT WORKS

Principal Controlled Contractors ......................... R 200 000

Sub-Section A – Works.................................. R 200 000

- Additional Costs – Extension 1 ....................... R 100 000

- Costs & Expenses – Extension 2 .................... R 100 000

- Principal’s Own Surrounding Property - Extension 4 .... R 10 000 000

Sub-Section B – Liability ................................ R 10 000 000

- Statutory Legal Defence Costs ...................... R 5 000 000

- Removal of Support .................................. R 10 000 000

Section J
Water Craft
- As per Self Insurance Reserve Water Craft Schedule-

Liabilities to Third Parties................................. R 693 840

R 100 000 000

Claims Preparation Costs

Applicable to all Sections............................... R 5 000 000

Deductibles

The following deductibles are payable by the Insured in respect of each loss or series of losses arising out of any one event at any one location:–

1. All losses referred to in Section A above:

   1.1 Electricity Cable Theft: Excess ................ R 15 000

   1.2 All Other: First Amount Payable/Franchise ....... R 5 000

2. Under Sections C: First Amount Payable/Franchise ...... R 3 000
3. Under Sections E and J................................. Nil

VAT (Value Added Tax) VAT is included in all Sums Insured, Limits, Deductibles and Premiums, i.e.:–

1. As regards claims settlements, these will be based upon a VAT inclusive loss valuation, and, where VAT is payable in terms of Section 8(8) of the VAT Act 89 of 1991 (as amended), but is not recoverable on a specific item then double “VAT” will be incorporated in the valuation of the loss.

2. Deductibles will be subtracted from the VAT inclusive claim.

3. All claim amounts recorded will be based upon the valuation of losses in terms of the above, and will therefore reflect annual disbursements made by all the parties to the contract, prior to the recovery of input VAT.
The Specification
Section A : ASSETS ALL RISKS

SUBJECT TO THE EXCEPTIONS AND CONDITIONS HEREINAFTER CONTAINED THE INSURER
UNDERTAKES TO INDEMNIFY THE INSURED:–

AGAINST ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE OCCURRING DURING THE
PERIOD OF INSURANCE TO PROPERTY AND ASSETS OF EVERY DESCRIPTION BELONGING
TO THE INSURED OR IN WHICH THE INSURED HAS ANY PROPRIETARY OR PECUNIARY
INTEREST OR WHICH THE INSURED CONTROLS OR MAY HEREAFTER CONTROL
INCLUDING PROPERTY HIRED-IN OR HELD IN TRUST OR ON CONSIGNMENT OR ON
COMMISSION OR SOLD BUT NOT DELIVERED ALL WHILST ANYWHERE WITHIN THE
TERRITORIAL LIMITS.

Exceptions Applicable to Section A.

1. Property not covered by this Section:–
   1.1 Property which at the time of any loss or damage is insured by any marine insurance/s except in
       respect of any excess beyond the amount which would have been payable under such Marine
       insurance had this insurance/s not been effected.
   1.2 Bullion, furs, precious stones, but excluding property forming part of personal effects.
   1.3 Transnet Railway locomotives, rolling stock and other Transnet railway property.
   1.4 Standing or felled timber, growing crops, livestock, animals, birds, earth wall reservoirs/dams and
       contents, docks, jetties, piers, wharves, mining property in the underground workings of any mine,
       pipelines, tunnels, canals, bridges not forming an integral part of the Insured’s works and buildings.
   1.5 Property in the course of construction or dismantling and for which more specific insurance is
       applicable.
   1.6 Property more specifically insured, except for the amount in excess of such insurance.
   1.7 Property in the possession of customers under Rental Agreements or Hire Purchase Credit, or other
       Suspensive Sale Agreements.
   1.8 Watercraft and aircraft.
1.9 Explosives, other than ammunition.

1.10 Driveways, pavements and roads which are not tarred or paved.

1.11 Lakes, land, earthworks, soil, lawns, shrubs, plants whilst outdoors.

1.12 Overhead distribution and transmission lines beyond the borders of the Insured's premises.

1.13 Outstanding debts.

2. Risks not covered by this Section:

2.1 In respect of Item No. 1 of Section A:

2.1.1 Loss or damage to property insured occasioned by fire or explosion from it undergoing any heating or drying processes of manufacture.

2.1.2 Storm, Wind, Hail or Snow to property in the open, unless such property is designed to operate and exist in the open.

2.1.3 Water arising out of any process necessarily involving the use or application of water.

2.1.4 Storm and special perils will not cover:

2.1.4.1 Wear and tear or gradual deterioration.

2.1.4.2 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 minimization of any damage.

2.2 In respect of all items of Section A, other than Item 1:

2.2.1 Breakdown and/or electrical or mechanical derangement of machinery (other than in respect of the Insured's computers and other electronic data processing equipment) and damage arising therefrom, unless caused by the perils referred to in Section A, Item No. 1.1 (Limits of Indemnity).

2.2.2 Loss caused by fraud or dishonesty of any director, partner or employee of the Insured (other than loss of money as defined in Definition 4, discovered within 14 working days).

2.2.3 Theft from any unattended vehicle in the custody or control of the Insured or any principal, partner, director or employee of the Insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit.

2.2.4 Loss or damage resulting from:

2.2.4.1 Unexplained disappearance or shortage revealed at any stocktaking or shortage due to clerical or accounting error.
2.2.4.2 Maintenance, gradual deterioration, wear, tear, rust, corrosion, oxidation, inherent vice, flaws, latent defect, change in temperature or humidity, dampness or dryness, moth, vermin, termites or other insects.

2.2.4.3 Change in flavour, colour, texture or finish, action of light heating or drying, depreciation, evaporation, loss of weight.

2.2.4.4 Defective design, specification, drawing, plan, materials, workmanship, normal maintenance or faulty construction including collapse of buildings as a consequence thereof.

2.2.4.5 Mining operations, gradual erosion, settling or cracking, shrinkage or expansion.

2.2.4.6 Vibration or the removal or weakening of supports.

2.2.4.7 Water or impact in the underground workings of any mine.

2.2.4.8 Gradual pollution or contamination

2.2.4.9 Loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container, other than as a consequence of the perils referred to in Section A, Item No. 1.1 (Limits of Liability).

2.3 In respect of all items of Section A:–

2.3.1 Consequential Loss of any description.

Definitions in Respect of Limits of Liability

1. **Storm and Special Perils includes damage by–**
   
   (a) Storm, water, wind, hail or snow.
   
   (b) Aircraft and other aerial devices or articles dropped therefrom.
   
   (c) Impact, but excluding impact damage to motor vehicles.
   
   (d) Leakage or discharge from fire extinguishing installations/appliances.
   
   (e) Lightning or Thunderbolt.

2. **Riot and Strike Extension :**

   Notwithstanding General Exception 1A(i) this insurance is extended to cover Riot and Strike, which shall mean loss or damage directly occasioned by or through or in consequence of:–

   (i) Civil commotion, labour disturbances, riot, strike, lock-out or any act or activity which is calculated to bring about any of the aforesaid.
   
   (ii) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in Clause (i).

   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 description whatsoever;
(c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
(d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
(e) loss or damage related to or caused by any occurrence referred to in General Exception 1 A (ii), (iii), (iv), (v) or (vi) of this insurance or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with such occurrence.

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

3. Malicious Damage :-

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 of or damage to :-

1. movable property which is –
   1.1 stolen
   1.2 damaged in an attempt to remove it or part of it from any premises owned or occupied by the Insured.

2. movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the Insured.

3. immovable property owned or occupied by the Insured occasioned by or through or in consequence of –
   3.1 the removal or partial removal or any attempt thereat or
   3.2 the demolition or partial demolition or any attempt thereat of the said immovable property or any part thereof with the intention of stealing any part thereof

Provided that this extension does not cover:–

(a) 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 Exceptions 1A(i), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppression or in any other way dealing with any such occurrence.

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

If any building insured or containing the insured property becomes unoccupied for 90 consecutive days, the insurance in respect of the extension is suspended as regards the property affected unless the Insured before the occurrence of any damage, obtains the written agreement of the Insurer to continue this extension.

During the period of the initial unoccupancy of 90 consecutive days, the Insured shall become a Co-Insurer with the Insurer and shall bear a proportion of any damage equal to 20 percent of the claim before deduction of any first amount payable.

4. **Money**: – shall mean cash, bank and currency notes, cheques, travellers’ cheques, postal and money orders, current postage and revenue stamps, holiday, stamps, misuse of Credit Cards, Securities for money and other negotiable documents including loss of or damage to safes, cash boxes and other receptacles used for keeping or carrying money in.

Excluding loss arising:–

(a) from the use of keys to any safe/ strongroom unless the keys are obtained by threat or violence.

(b) while the portion of the premises containing such safe/strongroom is unattended outside business hours unless the money on the premises and is contained in a locked safe/ strongroom and keys removed from premises.

(c) due to fraud or dishonesty by directors / employees which is not discovered within 14 working days of the occurrence.

(d) if trips to and from the bank are not direct and uninterrupted.

5. **Goods in Transit**:–

5.1 Transit shall be deemed to commence from the time of moving the property at the consignor’s premises (including carrying to any conveyance and loading thereon), continue with transportation to the consignee (including temporary storage in the course of the journey) and end when off-loaded and delivered at any building or place of storage at the consignee’s premises.

5.2 If any consignee shall refuse to accept property consigned by the Insured, then transit shall be deemed to continue and the insurance in respect of such property shall continue in force until the property is delivered at the premises of the Insured by any means of conveyance, provided that the Insured shall take all reasonable steps to ensure that the property is returned as soon as reasonably possible.
6. Theft :

Loss of or damage by theft or any attempt thereat, to any property insured but excluding unattended property left outside any building or enclosed area, or money as insured by Item 2.

7. Malicious Damage Theft :

Loss of or damage to buildings at the premises (including landlords’ fixtures and fittings) and all contents (whilst in such buildings), the property of the Insured or for which they are responsible caused by deliberate or wilful or wanton act of any person during the course of any theft or attempted theft accompanied by forcible and violent entry into or exit from such buildings.

8. Spontaneous Combustion :

Destruction or damage by fire only of or to the insured property caused by its spontaneous fermentation, heating or combustion.

9. Subsidence & Landslip :

Damage caused by subsidence and landslip.

This extension does not cover damage caused by or attributable to:–

(a) faulty design or construction of, or the removal or weakening of support to any building situated at the Insured’s premises.

(b) workmen engaged in making any structural alterations, additions or repairs to any building situated at the Insured’s premises.

(c) Excavation on or under land other than excavations in the course of mining operations.

10. Houseowners:–

All Buildings of private houses, residential units, Hostels and Flats including all outbuildings, swimming pools, water pumping equipment, tennis courts, satellite dishes and all fixtures and fittings therein, thereto and thereon, gates, walls and fencing belonging thereto being the property of the Insured or for which they are responsible or in which the Insured has an interest as mortgagee.
A2. MONEY

CONTINGENCIES
Loss of or damage to the property as defined in this Section occurring in South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe and Malawi except as otherwise stated in the Specification.

SPECIFIC EXCEPTIONS
The Insurer shall not be liable for loss of or damage to money:

1. arising from dishonesty of any person or persons in the employ of the Insured not discovered within 14 working days of the occurrence thereof;

2. arising from shortage due to error or omission.

MEMORANDA

1. Loss of or damage to money arising from dishonesty of any employee of the Insured as insured under this Section shall be subject to the compulsory First Amount Payable as stated in the Specification. This amount shall be borne in full by the Insured.

2. The Insurer shall not be liable under this Section of the policy in respect of loss or damage arising from any event in respect of which a claim is payable or would be payable but for any First Amount Payable or co-insurance clause under the FIDELITY – SECTION VI of this policy.

DEFINITIONS

MONEY
Shall mean cash, bank and currency notes, cheques, postal orders, money orders, current negotiable postage revenue and holiday stamps, franking machine cards, cell phone sim cards, public phone cards, credit card vouchers and documents, tickets, including bus tickets, electricity tokens, certificates or other instruments of a negotiable nature the property of the Insured or for which they hold themselves responsible.

RECEPTACLE
Shall mean any safe, strongroom, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

CLauses and Extensions

1. In addition to any payment in respect of a Contingency the Insurer will indemnify the Insured in respect of receptacles lost or damaged as a result of theft of money or any attempt thereat.

2. In addition to any payment in respect of a Contingency the Insurer will indemnify the Insured in respect of the cost of replacing locks and keys to any receptacle at the insured premises following upon the disappearance of any key to such receptacle or following upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key.
A3. **FIDELITY**

**CONTINGENCIES**

1. Loss of money and/or other property, belonging to the Insured or for which they are responsible, stolen by an Insured Employee during the currency of this Section;

2. Direct financial loss sustained by the Insured as a result of fraud or dishonesty of an Insured Employee, all of which occurs during the currency of this Section, which results in dishonest personal financial gain for the employee concerned provided that:

   (a) the Insurer is not liable for all losses which occurred prior to the retroactive date stated in the specification; and

   (i) all losses are discovered not later than twelve months after the termination of:

   (1) this Section;

   (2) this Section in respect of any insured Employee concerned in a loss; or

   (3) the employment of the insured Employee or the last of the insured Employees concerned in a loss whichever occurs first.

(b) The liability of the Insurer for all losses shall not exceed the Sum insured stated in the Specification whether involving any one employee or any number of employees acting in collusion or independently of each other.

(c) Renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing the liability of the Insurer beyond the Sum Insured stated in the Specification. If the period of insurance is less than twelve months the Insurer's liability is limited to the Sum Insured stated in the Specification during any twelve month period of insurance calculated from inception or renewal.

(d) The term “dishonest personal financial gain” shall not include gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.

**DEFINITION**

**INSURED EMPLOYEE**

Shall mean:

(a) any person while employed under a contract of service with or apprenticeship to the Insured; or

(b) any person while hired or seconded from any other party into the service of the Insured, who the Insured has the right at all times to govern, control and direct in the performance of his work in the course of the business of the Insured.

**SPECIFIC EXCEPTIONS**

The Insurer shall not be liable for:

(a) loss resulting from or contributed to by any defined event specified in the Contingencies by any partner in or of the Insured or any director or member of the Insured unless such director or member is also an employee; or
(b) any consequential losses of any kind following losses referred to under Contingencies provided however this Specific Exception will not apply to losses in respect of Durban Pension Fund monies or property or direct financial loss sustained by the Durban Pension Fund;

ADDITIONAL CONTINGENCIES AND COVER

1. SUPERSEDED POLICY

This Section will apply to contingencies insured herein which occurred during the currency of any insurance superseded by this Section and specified in the Specification provided that:

(a) this Additional Contingency is restricted to losses which would have been payable by the superseded insurance but which are not claimable because of the expiry of the period of time allowed by the superseded insurance for the discovery of any loss;

(b) any loss is discovered within the sooner of 12 months of the termination of the employment of the employee concerned or within 12 months of the expiry of this Section;

(c) the amount payable under this Additional Contingency shall not exceed the amount insured by this Section or the amount insured by the superseded insurance whichever is the lesser;

(d) in the event of any loss involving one employee or any number of employees occurring during both the currency of this Section and that of the superseded policy the maximum amount payable shall not exceed the Sum Insured by this Section at the time of discovery of the loss;

(e) this Additional Contingency will not apply to any loss which occurred more than the number of years stated in the Specification before inception of this Section; and

(f) the Insurer is not liable for any loss which occurred more than 24 months prior to discovery.

2. COSTS OF RECOVERY

If the Insured shall sustain any loss to which this Section applies which exceeds the Sum Insured hereunder, the Insurer will, in addition to the Sum Insured, pay to the Insured costs and expenses not exceeding the amount stated in the Specification necessarily incurred with the consent of the Insurer (which consent shall not be unreasonably withheld) for the recovery or attempted recovery from the employee(s) in regard to whom the claim is made, of that part of the loss which exceeds the Sum Insured hereunder. All amounts recovered by the Insured in excess of the said part of the loss shall be for the benefit of the Insurer.
CLAUSES AND EXTENSIONS

1. ACCOUNTANTS

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurer under this Section for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's auditors or professional accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.

2. EXTENDED COVER FOR PAST EMPLOYEES

Any person who ceases to be an employee shall for the purposes of this Section be considered as being an employee for a period of 30 days after he/she in fact ceased to be an employee.

ENDORSEMENTS, ADDITIONAL TERMS AND CONDITIONS

1. COMPULSORY FIRST AMOUNT PAYABLE

The First Amount Payable under this Section in respect of any event specified in the Contingencies involving one employee or any number of employees acting in collusion shall be reduced by the amounts stated in the Specification.

This First Amount Payable shall be borne in full by the Insured and remain uninsured.

2. VOLUNTARY FIRST AMOUNT PAYABLE

In addition to the amount payable by the Insured under the Compulsory First Amount Payable Clause, the Insured shall be responsible for the difference between such amount and the amount stated in the Specification as the voluntary First Amount Payable provided such voluntary amount exceeds the compulsory amount. This amount will remain uninsured.
Clauses Applicable to Section A.

1. Mortgagees:

The interests of mortgagees who have an insurable interest are noted under this insurance as stated in the Insured's records, subject to the undernoted clause:–

The interest of any Mortgagee in the insurance on Buildings under this Section shall not be prejudiced by any act or omission on the part of the Mortgagor without the Mortgagee's knowledge. The Mortgagee shall, however, inform the Company as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable for any increased hazard which shall (in terms of this clause), be assumed by the Insurer.

2. Designation of Property:

In deciding which property is included in this insurance for the basis of loss settlement the Insurer agrees to accept such designation of the property as may be shown in the Insured's books or other business records.

3. Reinstatement - Basis of Indemnification:

3.1 In the event of loss or damage to stock or materials in trade, the basis of indemnity shall be the cost to the Insured of the replacement of such property at the time of loss delivered to the place where such loss or damage occurred.

3.2 In the event of property insured, other than stock and materials in trade, being destroyed or damaged, the basis upon which the amount payable under the Policy is to be calculated shall be the cost of reinstating or replacing property on the same site of the same kind or type but not superior to nor more extensive than the insured property when new, subject to the following special provisions and subject also to the terms and conditions of the Policy except insofar as the same may be varied thereby.

Special provisions:

(i) The work of reinstatement or replacement (which may be carried out upon the existing site or another site and in any manner suitable to the requirements of the Insured subject to the liability of the Insurer not being thereby increased) must be commenced and carried out with reasonable despatch, otherwise no payment beyond the amount which would have been payable under the Policy if this clause had not been incorporated therein shall be made.

(ii) Until expenditure has been incurred by the Insured in reinstating or replacing the property destroyed or damaged the Insurer shall not be liable for any payment in excess of the amount which would have been payable under this Policy if this clause had not been incorporated therein.

(iii) These conditions shall be without force or effect if:–

(a) The Insured fails to intimate to the Insurer within six months from the date of such destruction or damage or such further time as the Insurer may allow their intention to reinstate or replace the property destroyed or damaged.

(b) The Insured is unable or unwilling to reinstate or replace the property destroyed on the same or another site.
(iv) In respect of patterns, models and moulds or documents, which shall mean films, tapes, books, records, maps, plans, drawings, abstracts, wills, deeds, mortgages, agreements, manuscripts, letters and similar written or printed or otherwise inscribed papers, the liability of the Insurer shall be limited to the cost of materials and the cost of labour for recreating but excluding costs incurred in the re-shooting of films or re-recording of audio tapes.

3.3 Alternative Re–Instatement Conditions (Design Capacity) (Applicable to property other than stock in trade)

If this insurance includes property which has a measurable function, capability or output and which is capable of replacement with a new item or items with similar capability or output then, at the option of the Insured, such property shall be valued for insurance purposes as follows and the values for settlement of any loss or damage in respect thereof shall be on the same basis:

3.3.1 If property lost or damaged is to be replaced by an item or items which have the same or lesser total function, capability or output, then the insurable value thereof shall be the new installed cost of such replacement item or items as would give same total function, capability or output as the property lost or damaged.

3.3.2 If property lost or damaged is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of the property lost or damage then no deductions shall be made from any claim for the improved function, capability or output of the replacement property.

3.3.3 If property lost or damaged is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the property lost or damaged, then the insurable value of such property loss or damaged is either:

(i) the estimated cost of reinstatement of such property lost or damaged as defined in Clause 3.2.

or

(ii) that proportion of the new installed cost of the replacement item or items which the output of the property lost or damaged bears to the output of the replacement item or items

whichever amount is less.

The difference between the insurable value as defined in this memorandum and the new installed cost of the replacement item or items shall be borne by the Insured.

Provided that in the event of partial loss or damage where property is to be repaired, this insurance shall pay the cost of restoration of the property to a condition substantially the same as but not better or more extensive than its condition when new and provided further that the liability of the Insurer shall not exceed the sum representing the cost which the Insurer could have been called upon to pay if such property insured had been wholly destroyed.
4. **Cost of Demolition, Site Clearance and Erection of Hoardings**:

The insurance by this Section is extended to include costs necessarily incurred by the Insured in demolishing any property, in removing debris (including stock debris) from the site to the nearest practicable disposal site, and providing, erecting and maintaining any street or pavement hoardings required during such demolition, site clearance and/or building operations following destruction of or damage to such property by any peril hereby insured against provided that the total amount recoverable shall not exceed the limits of liability shown in the Schedule. The Insurer will not pay for any costs or expenses:

4.1 arising from gradual pollution or contamination not insured by this section.

4.2 incurred in removing debris except from the site of the property destroyed or damaged and within a 1 kilometre radius of such site.

5. **Municipal Plans Scrutiny Fee**:

The insurance under this Section is declared to include Municipal Plans Scrutiny Fees, provided that the total amount recoverable under the Policy shall not exceed the limits of liability shown in the Schedule.

6. **Architects, Quantity Surveyors and other Professional Fees**:

The insurance on property, under this Section includes Professional and other estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage, provided the liability limits set out in the Schedule are not exceeded. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the Insured's claim.

7. **Tenants**:

It is hereby declared and agreed that should a tenant of the Insured (where the Insured owns the building) or another tenant or the owner of the building (where the Insured is a tenant of the Building) do or omit to do, without the knowledge or consent of the Insured anything which would vitiate the within Policy exceptions, conditions and/or warranties, this Policy will not be held to be void on that account provided that the Insured shall notify to the Insurer the happening or existence of such act or omission as soon as the same shall come to their knowledge and shall pay the additional charge for any increase of hazard assumed by the Insurer.

8. **Public Authorities Requirements**:

The insurance by this Section includes such additional cost of reinstatement of the damaged property incurred solely by reason of the necessity to comply with any 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:

(i) The amount recoverable under this extension shall not include—

   A) The cost incurred in complying with any of the aforesaid regulations

      (a) In respect of damage occurring prior to granting of this clause.
(b) In respect of destruction or damage not insured by the Policy.

(c) Under which notice has been served upon the Insured prior to the happening of the destruction or damage.

(d) 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.

(ii) The work of repairing or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of the Insurer under this clause not being thereby increased.

(iii) If the liability of the Insurer under any item of this Section apart from this clause shall be reduced by the application of any of the terms, exceptions and conditions of the Policy then the liability of the Insurer under this clause in respect of any such item shall be reduced in like proportion.

(iv) The total amount recoverable under any item of this Section shall not exceed the Limit of Liability.

9. Brands, Labels, Trade Marks and Guarantees:

In the case of damage to property carrying a brand or the sale of which in any way carries a Guarantee of the Insured, and the sale of which might affect the Market value of similar property, the salvage values of such damaged property shall be determined after removal of all brands and labels and any trade marks (on containers for which the brand cannot be removed, contents to be transferred to plain bulk containers) which might be taken to indicate that the guarantee or brand of the Manufacturer or the Insured attached to the said property. The cost of such removal or transfer to be borne by the Insured.

10. Railway and Other Subrogation Clause:

The Insured shall not be prejudiced by signing the “Transnet Cartage (Hazardous Premises) Indemnity 1952” or other special agreements with the Transnet Administration regarding private sidings or similar agreements with other Government bodies.

11. Fire Extinguishment and other Charges:

This insurance extends to include charges levied upon the Insured by any Municipal or Private Fire Brigade, and any other costs relating to extinguishing or fighting of fire (or other Insured Perils), subject to the Limit of Liability stated in the Schedule A, Item 1.1.
12. Brands and Labels/Disposal or Destruction of Salvage:

In the case of damage insured hereby to merchandise carrying the Insured’s brand, labels or trademark or the sale of which in any way carries the guarantee of the Insured and such merchandise becomes available for disposal as salvage, the Insured may elect that such markings be removed and/or salvage be destroyed at Insurer’s cost subject to the Insurer’s maximum liability and the Insured shall have the first option to purchase any such salvage at the fair intrinsic value to the Insured or make due allowance to the Insurer in lieu thereof.

In the event of loss of or damage to brands, labels and trademarks, where it is acceptable to the Insured, the amount of such loss or damage to be paid by the Insurer shall be the cost of replacing the brands, labels and trademarks and the cost of relabelling and reconditioning the assets.

On containers from which the brand name, trade mark or labels cannot be removed, the contents can be removed to plain containers at Insurer’s expense.

13. Workmen's Clause:

It is agreed that Contractors may be working in or on any of the buildings owned or occupied by the Insured, without prejudice to this insurance. Subject to notifying the Insurer as soon as reasonably possible when major work (any one contract exceeding 14 consecutive working days) is undertaken by Contractors.

14. Average:

If the Assets insured shall at the commencement of any damage to such property by any peril insured against by Section A, Item 1.1 of the Schedule, be collectively of greater value than the Declaration of total values, then the Insured shall be considered as being his own Insurer for the difference and shall bear a rateable share of the loss accordingly.

15. Basis of Application of Average and Loss Settlement:

It is agreed that the Declaration of Total Values as stated in The Schedule or as declared at the last Declaration of Total Values immediately anterior to any loss, plus an allowance for trend, additions, escalation, extensions, acquisitions and new locations between the effective date of such declaration and the date of the loss or the date of reinstatement, will be the maximum to be utilised for the purpose of arriving at a loss settlement or any application of Average.

16. Alterations / Misdescription:

The insurance by this Policy shall not be prejudiced by any alteration or misdescription of occupancy due to the transfer of processes or machinery in the aforesaid buildings nor by structural alterations and/or repairs to buildings, machinery and/or plant provided that notice be given to the Insurer as soon as practicable after such transfer or alteration has been made and an additional premium paid if required from date of such alteration.

17. Alteration to the Business:

This Policy shall not be prejudiced by any alteration of the Business provided written notice is given to the Insurer when the Insured becomes aware of the same and to pay additional premium if required from the date of the inception of any increased hazard.
18. Loss of Supplies Clause:

Notwithstanding anything herein to the contrary, this cover includes liability for accidental loss of water, electricity or gas, caused by an Insured Peril.

19. Public Supply Connections:

This Insurance includes accidental damage to water, sewerage, gas, electricity, telephone and telecommunication connections the property of the Insured or for which they are legally responsible on the premises and between the property insured and the public supply or mains.

20. Updating of Sprinkler Systems:

Notwithstanding anything contained to the contrary in the Preamble or the Public Authorities Requirements Clause, where, following the happening of a loss under this Insurance, it is necessary for the Insured in terms of public authorities or Automatic Sprinkler Inspection Bureau or Insurer’s requirements to update or replace the damaged or undamaged (if it has a direct effect on the damaged portion) portion of their Automatic Sprinkler System with an updated or altered design system, the insurance by this section shall indemnify the Insured in respect of the additional costs and expenses up to the limit of indemnity shown in the schedule.

21. Sprinkler Installation Inoperative:

This Insurance shall not be prejudiced in the event of any automatic sprinkler installation being turned off temporarily for repairs or maintenance or alterations or additions or the like.

22. Statutory Duties:

This Insurance includes statutory duties and levies actually paid or incurred as a result of loss of or damage to the insured property.

23. Clearance Costs – No Damage Clause:

Costs and expenses necessarily and reasonably incurred with the consent of the Insurer in removing silt, water and debris from the Premises or any site within the vicinity, in order to regain access to the Premises or site and/or to restore original working conditions to such Premises or site shall be deemed to constitute loss or damage within the meaning of this insurance (subject to the Terms, Exceptions, Provisions and Conditions applicable thereto), provided that such costs and expenses are incurred as a result of an occurrence caused by perils insured under this insurance and shall not exceed the sum of R5 000 000 in respect of any one occurrence.

24. Replacement of Locks and Keys:

The Insurer will indemnify the Insured in respect of the cost of replacing locks and keys, combination locks, remote control locks and other types of anti-theft or tampering type devices following upon the disappearance of any key, magnetic card or other type of unlocking device or following upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key, magnetic card or other type of unlocking device. Subject to a limit of R1 000 000.
25. **Property of Directors and Employees:**

Notwithstanding anything contained herein to the contrary this insurance extends to cover loss of or damage to:

(i) Directors, Employees and Councillors clothing and personal effects at the Insured’s premises.

(ii) Property of Directors, Employees and Councillors, and members of their families whilst being transferred.

(iii) Accompanied baggage and personal effects of the Insured’s Directors, Employees and Councillors whilst travelling on the Insured’s business anywhere in the world.

26. **Personal Accident Assault Cover**

This insurance includes 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 partner in or of or any director or employee of the insured (hereinafter referred to as such person) happening anywhere in the world during the period of insurance while such person is acting in the course of their duties in the Insured’s employ.

The insurer will pay to the insured on behalf of such person or his estate the sum or sums stated below in the event of death or bodily injury to any such person resulting within twenty-four calendar months in:

1. **Death**: Capital Sum R100 000

2. **Permanent Disability**: The percentage of the capital sum specified.

<table>
<thead>
<tr>
<th>Percentage of Capital Sum</th>
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<tbody>
<tr>
<td>2.1 loss by physical separation at or above the wrist or ankle of one or more limbs</td>
</tr>
<tr>
<td>2.2 permanent and total loss of whole eye</td>
</tr>
<tr>
<td>sight of eye</td>
</tr>
<tr>
<td>sight of eye, except perception of light</td>
</tr>
<tr>
<td>2.3 permanent and total loss of hearing both ears</td>
</tr>
<tr>
<td>one ear</td>
</tr>
<tr>
<td>2.4 injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training</td>
</tr>
<tr>
<td>2.5 permanent and total loss of speech</td>
</tr>
<tr>
<td>2.6 loss of four fingers</td>
</tr>
<tr>
<td>2.7 loss of thumb – both phalanges</td>
</tr>
<tr>
<td>– one phalanx</td>
</tr>
</tbody>
</table>
2.8 loss of index finger – three phalanges  
  – two phalanges  
  – one phalanx  
  – two phalanges  
  – one phalanx  

2.9 loss of middle finger – three phalanges  
  – two phalanges  
  – one phalanx  

2.10 loss of ring finger – three phalanges  
  – two phalanges  
  – one phalanx  

2.11 loss of little finger – three phalanges  
  – two phalanges  
  – one phalanx  

2.12 loss of metacarpals – first or second (additional)  
  – third, fourth and fifth (additional)  

2.13 loss of toes – all one foot  
  – great, both phalanges  
  – great, one phalanx  
  – other than great, if more than one  
  – toe lost, each  

(i) where the injury is not specified, the Company will pay such sum as in their opinion is not inconsistent with the above provisions; 
(ii) permanent total loss of use of part of the body shall be treated as loss of such part; 
(iii) 100 percent shall be the maximum percentage of compensation payable for permanent disability resulting from an accident or series of accidents arising from one cause in respect of any one such person; 

3. Total and absolute incapacity from attending to usual business or occupation — Weekly sum R5 000. 

4. Medical, surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) incurred as a result of bodily injury the reasonable expenses incurred up to the sum R50 000 within 24 months. 

provided that 

1. The Insurer shall not be liable to pay in respect of any one such person more than the capital sum plus the sums specified under Items 3 and 4 of this extension. 

2. The sum specified under Item 3 of this extension shall be payable only for the duration of the incapacity of such person for not more than 104 weeks and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible notwithstanding that permanent disability may remain. 

3. This insurance shall not apply to any such person under 15 or over 70 years of age. 

4. After suffering bodily injury for which benefit may be payable under this insurance, such person shall submit to medical examination and undergo any treatment specified. The Insurer shall not be liable to make any payment unless this proviso is complied with to their satisfaction.
5. Compensation payable under Item 4 of this extension shall be reduced by an amount equal to the amount paid or payable under any Workmen’s Compensation Enactment in respect of any treatment for which compensation is payable under Item 4 of this extension.

6. General Condition 2 and 10 do not apply to this extension.

7. 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 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, military or usurped power.

**Extensions to Personal Accident Assault Cover**

1. Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements directly or indirectly resulting from such person being the victim of theft or any attempt thereat.

2. In the event of disappearance of any such person in circumstances which satisfy the Insurer that they have sustained injury to which this insurance applies and that such injury has resulted in the death of such person, the Insurer will for the purpose of this insurance, presume their death, provided that if, after, the Insurer shall have made payment hereunder in respect of such person’s presumed death, he/she is found to be alive, such payment shall forthwith be refunded by the Insured to the Insurer.
Section B : Business Interruption

Loss following interruption of or interference with the Business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under

1. Section A of this insurance
2. any other material damage insurance covering the interest of the Insured but only in respect of perils insured under Section A hereof.

(hereinafter termed Damage)

Liability shall be deemed to have been admitted if such payment is precluded solely because the Insured is required to bear the first portion of the loss.

The Insurer will indemnify the Insured in accordance with the provisions hereinafter set out.

Special Conditions

1. The Insurance under this Section shall cease if the business is wound up or carried on by a Liquidator or Judicial Manager, or permanently discontinued, except with the written agreement of the Insurer.

2. On the happening of any Damage in consequence of which a claim may be made under this section the Insured shall, in addition to complying with General Condition No. 2, 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 Insurer may in writing allow, at their own expense deliver to the Insurer, in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom.

Item No. 1 – Gross Profit

The insurance under this item is limited to loss of gross profit due to:

(a) reduction in turnover and
(b) increase in cost of working

and the amount payable as indemnity hereunder shall be:

(a) in respect of reduction in turnover the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall in consequence of the Damage fall short of the standard turnover.

(b) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided,
less any sum saved during the indemnity period in respect of such charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

Item 2 — Revenue

The insurance under this item is limited to:

(a) loss of revenue and
(b) increase in cost of working

and the amount payable as indemnity hereunder shall be

(a) in respect of loss of revenue the amount by which the revenue during the indemnity period shall in consequence of the Damage fall short of the standard revenue
(b) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of revenue which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the amount of loss of revenue thereby avoided

less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of revenue as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of revenue is less than the annual revenue where the maximum indemnity period is 12 months or less or the appropriate multiple of the annual revenue where the maximum indemnity period exceeds 12 months.

Item No. 3– Additional Increased Cost of Working

This Insurance will indemnify the Insured for additional expenditure (not otherwise recoverable) incurred in consequence of the Damage to maintain the normal operation of The Business during the Indemnity Period, including Reinstatement of Data and/or programmes recorded on data captive media.

Item No. 4- Fines Penalties and Cancellation Charges.

The Insurance under this item is limited to fines or penalties or cancellation charges for breach of contract and the amount payable as indemnity thereunder shall be such as the Insured shall be legally liable to pay in discharge of contracts to purchase, cancellation charges, fines or penalties incurred solely in consequence of the Damage or for non-completion or late completion of orders.
Definitions under Section B - Business Interruption

1. **Indemnity Period**

   The period beginning with the commencement of the Damage and ending not later than the number of months thereafter, stated in the schedule, during which period the results of The Business shall be affected in consequence of the Damage.

2. **Revenue**

   The money paid or payable to the Insured for goods sold and for services rendered in the course of the business at the premises.

3. **Gross Profit**

   The amount by which

   4.1 the sum of the turnover and the amount of the closing stock

   shall exceed

   4.2 the sum of the amount of the opening stock and the amount of the uninsured costs.

   The amount of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provisions being made for depreciation.

   **Uninsured Costs**

   As declared by the Insured, (the words and expressions used shall have the meaning usually attached to them in the books and accounts of the Insured).

4. **Turnover**

   The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of The Business at The Premises.

5. **Output**

   The sale of transfer value, as shown in the Insured's books, of goods manufactured or processed by the Insured at The Premises.
6.1 Standard Turnover/Revenue

The turnover/revenue during that period in the twelve months immediately before the date of Damage which corresponds with the indemnity period.

6.2 Annual Turnover/Revenue

The turnover/revenue during the twelve months immediately before the date of the Damage.

6.3 Rate of Gross Profit

The rate of gross profit earned on the turnover during the financial year immediately before the date of Damage.

to which such adjustment shall be made as may be necessary to provide for the trend of the business and for the variation in or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

NOTE : If the Damage occurs before the completion of the first year's trading of the business at the premises the value of the bracketed terms shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of the Damage.

Memo

If during the indemnity period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on their behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the indemnity period.

7. Data

Data and/or programmes recorded on Data Captive Media.

8. Data Captive Media

Tapes, discs, magnetic cards and other materials used to carry data in form directly assimilable by the equipment, but specifically excluding input documents (invoices, bills and the like) and equipment printed out.

Provided that :

(i) The indemnity shall not extend to nor include such costs incurred due to programme errors, incorrect entry or the inadvertent cancellation of corruption of data and/or programmes.

The Insurer shall not be liable for :

(ii) The wilful act or wilful neglect of the Insured.

(iii) The intrinsic value of the data carrying materials.

(iv) The value to the Insured of the data on the data carrying materials.

(v) Loss or damage to the insured property which is covered in terms of a maintenance or leasing agreement.

(vi) The cost of reproducing data whether recorded on cards, tapes, and disks otherwise, unless specifically provided for herein.
Extensions and Clauses to Section B
Business Interruption

1. Extensions to other Premises

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) at the under noted situations or to property as under noted shall be deemed to be loss resulting from Damage to property used by the Insured at the premises.

1.1 Suppliers and Customers

The premises of the Insured’s suppliers, customers and contract sites and supply line to or from any of the aforementioned. Cover under this extension applies to these premises anywhere in the world, but interruption or interference in consequence of an earthquake in Japan or North America is excluded.

1.2 Storage, Transit and Vehicles

1.2.1 At premises where the Insured or others on the Insured's behalf have stored or temporarily deposited property (either for processing or storage purposes) or are fulfilling a contract.

1.2.2 Whilst in transit other than by sea or air.

1.2.3 Being motor vehicles railway rolling stock/engines, aircraft or watercraft used by the Insured or carriers.

1.2.4 At premises of the Insured's controlling, holding, controlled and/or subsidiary companies (unless such controlled and/or subsidiary companies have an interest as insured under this insurance).

Provided that 1.1, 1.2.1, 1.2.2 and 1.2.4 shall not include property of a type excluded under Section A of this policy.

1.3 Prevention of Access

Property within a radius of 50 kilometres of the premises, including property referred to in the Extensions to Other Premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

2. Utilities and Extended Damage

2.1 The term Damage shall include accidental total or partial failure of the supply of electricity, gas, water, or to telecommunication systems or sewerage reticulation (including transmission of all the foregoing) other than by :-

30
2.1.1 the wilful act of the Insured and/or the supply authority unless such withholding or restriction is directly attributable to damage to property of such authority.

2.1.2 drought and shortage of fuel.

2.1.3 any event described in General Exceptions 1 and 2 (but cover provided by Definition 3 (Malicious Damage Extension) of Section A is not excluded).

2.1.4 shortage of water or pollution of water.

In respect of interruption of or interference with the business arising from mechanical or electrical breakdown, there shall be no liability under this extension for interruption of or interference with the business unless such interruption or interference with the business extends beyond 24 hours from commencement thereof.

3. **Accountants Clause**

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurer under this section for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's Auditors or Professional Accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.

4. **Road, Bridge, Railway and Cargo Loading Facilities Extension**

Loss as insured by this section resulting from interruption of or interference with the business in consequence of loss or damage to any road, bridge, railway line and/or cargo loading facilities not the property nor the responsibility of the Insured over which the property is conveyed between supplier's and customer's premises and the Insured's premises shall be deemed to be a loss resulting from Damage.

5. **Miscellaneous Risk Extension**

The word Damage shall be deemed to include interruption of or interference with The Business (as herein defined) caused by the following contingencies:—

5.1 Murder and/or Suicide at the premises

5.2 Food and/or Drink Poisoning

5.3 Defective Sanitation

5.4 Contagious and/or Infectious Disease

5.5 Vermin and/or Pests

5.6 Bomb Scare

5.7 Shark Attack/Scare

5.8 Fumes

5.9 Volcanic Eruption
For the purpose of this Memorandum, Items 5.2 to 5.9 above include the area within a radius of 50 kilometres from the Insured's premises.

7. **Application of Average and Loss Settlement**

   It is agreed that the aggregate of the basis used to arrive at the Sums Insured shown herein or as declared at the last Declaration of Total Value immediately anterior to any loss, plus an allowance for trend, additions, extensions, acquisitions and new locations between the effective date of such declaration and the date of the interruption, will be the maximum to be utilised for the purpose of arriving at a loss settlement or any application of Average.

8. **Export Tax/Decentralisation Allowance**

   This Section will indemnify the Insured against the non-receipt, whether wholly or partially, of Exporters Tax Allowance and Decentralisation Allowance which, but for the interruption of the Business in consequence of damage, would have been granted less any savings as a result of damage, and the additional tax incurred, as a consequence of such non-receipt during the indemnity period.

9. **Output (Alternative Basis) Clause**

   At the option of the Insured the term output may be substituted for the term turnover and for the purposes of this section output shall mean the sale or transfer value, as shown in the Insured's books, of goods manufactured or processed by the Insured at the premises.

   provided that

   (a) only the meaning of output or the meaning of turnover shall be operative in connection with any one event resulting in interruption.

   (b) if the meaning of output be used

      (i) the Accumulated Stock Clause shall be inoperative

      (ii) the memo at the end of the definition of “rate of gross profit” shall read

   If, during the indemnity period, goods shall be manufactured or processed other than at the premises for the benefit of the business either by the Insured or by others on behalf of the Insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the indemnity period.

10. **Accumulated Stock Clause**

    In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover or revenue due to the Damage is postponed by reason of the turnover or revenue being temporarily maintained from accumulated stocks
11. Departmental Clause

If the business is conducted in subsidiary companies, divisions, departments or branches, the independent trading results of which are ascertainable, the provisions under Items 1 (Gross Profit), 2 (Gross Rentals), or 3 (Revenue) relating to reduction in turnover/revenue and increase in cost of working, shall apply separately to each department or branch affected by the Damage except that if the sum insured by the relative item is less than the aggregate of the annual revenue (sums produced by applying the rate of gross profit) for each department or branch, whether or not affected by the Damage (to the relative annual turnover thereof) proportionately increased if the number of months referred to in the definition of indemnity periods exceeds twelve), the amount payable shall be proportionately reduced.

12. Salvage Sale Clause

If the Insured shall hold a salvage sale during the indemnity period clause (a) of Item 1 (gross profit) or Item 3 (revenue) shall, for the purposes of such claim, read as follows:

(a) In respect of reduction in turnover the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period (less the turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the standard turnover, from which sum shall be deducted the gross profit actually earned during the period of the salvage sale.

13. Rent

Loss of rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenantable (including partially untenantable) but only for the period necessary for reinstatement and for an amount not exceeding 25 per cent of the Section A Sum Insured on the affected property. The basis of calculation shall be rent payable immediately preceding the damage or its equivalent in rental value.
Section C : Motor Vehicles

Sub-Section A   Own Loss or damage

Defined events

Loss of or damage to any vehicle described in the schedule and its accessories and spare parts whilst thereon.
in addition, if such vehicle is disabled by reasons of any loss or damage insured hereby, the Insurer will pay the reasonable cost of protection and removal to the nearest repairers. The Insurer will also pay the reasonable cost of delivery to the insured, after repair of such loss or damage, not exceeding the reasonable cost of transport to the permanent address of the insured in the Republic of South Africa,

provided that

1. the limit of indemnity for each type of vehicle is as stated in the schedule and shall be the maximum amount payable by the Insurer in respect of such loss or damage, but shall not exceed the reasonable market value of the vehicle and its accessories and spare parts at the time of such loss or damage

2. the Insurer may, at its own option, repair, reinstate or replace such vehicle or any part thereof and/or its accessories and spare parts or may pay in cash the amount of the loss or damage not exceeding the reasonable market value of such vehicle and/or its accessories and/or spare parts at the time of such loss or damage

3. if, to the knowledge of the Insurer, the vehicle is the subject of a suspensive sale or similar agreement, such payment shall be made to the owner described therein whose receipt shall be a full and final discharge to the Insurer in respect of such loss or damage

4. in respect of each and every occurrence giving rise to a claim (except a claim resulting from fire, lightning or explosion) under this sub-section, the Insured shall be responsible for the first amounts payable stated in the schedule (according to the type of vehicle) of any expenditure (or any less expenditure which may be incurred) for which provision is made under this sub-section (including any payment in respect of costs, expenses and fees), and of any expenditure by the company in the exercise of any discretion it may have under this insurance. If the expenditure incurred by the company shall include any first amount payable for which the insured is responsible, such amount shall be paid by the Insured to the Insurer forthwith

Exceptions to sub-section A

The Insurer shall not be liable to pay for

(a) consequential loss as a result of any cause whatsoever, depreciation in value whether arising from repairs following a defined event or otherwise, wear and tear, mechanical, electronic or electrical breakdowns, failures or breakages

(b) damage to tyres by application of brakes or by road punctures, cuts or bursts

(c) damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities

(d) detention, confiscation or requisition by customs or other officials or authorities.
Sub-section B Liability to third parties

Defined Events

Any accident caused by or through or in connection with any vehicle described in the schedule or in connection with the loading and/or unloading of such vehicle in respect of which the Insured and/or any passenger becomes legally liable to pay all sums including claimant's costs and expenses in respect of

(i) death of or bodily injury to any person, but excluding death of or bodily injury to any person in the employ of the Insured arising from and in the course of such employment or being a member of the same household as the Insured

(ii) damage to property other than property belonging to the Insured or held in trust by or in the custody or control of the Insured or being conveyed by, loaded onto or unloaded from such vehicle.

The Insurer will also, in terms of and subject to the limitations of and for the purposes of this sub-section,

1. pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this subsection, or for defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any event which may be the subject of indemnity under this sub-section, provided that the total of the company's liability under both this extension and sub-section B shall not exceed the limit of indemnity stated to apply to sub-section B

2. indemnify any person who is driving or using such vehicle on the insured's order or with the Insured's permission

provided that

(a) such person shall, as though he were the Insured, observe, fulfil and be subject to the terms, exceptions and conditions of this insurance in so far as they can apply

(b) such person driving such vehicle has not been refused any motor insurance or continuance thereof by any insurer

(c) indemnity shall not apply in respect of claims made by any member of the same household as such person

(d) such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder

3. indemnify the insured in respect of liability arising from the towing by a vehicle (other than for reward) of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided the Insurer shall not be liable for damage to the towed vehicle or trailer or to property therein or thereon.

Exceptions to sub-section B

The Insurer shall not be liable under this sub-section in respect of

(a) so much of any compensation or claim as fails within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply notwithstanding that no insurance under such enactment is in force or has been effected

(b) death of or injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle at the time of the occurrence of the event from which any claim arises (except any person being
carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1 500kg)

**Limits of indemnity**

Unless otherwise stated, the liability of the Insurer under this sub-section in respect of any one occurrence shall not exceed the limits of indemnity as stated in the schedule.

**Definitions**

1. **Occurrence**
   
   The term occurrence shall mean an occurrence or series of occurrences arising from one cause in connection with any one vehicle (which shall be deemed to include any attached trailer) in respect of which indemnity is provided by this insurance.

2. **Vehicle**
   
   The term vehicle shall mean
   
   (a) private type motor cars (including station wagons, safari vans, estate cars and the like or similar vehicles designed to seat not more than 9 persons including the driver)
   
   (b) commercial vehicles and special type vehicles (i.e. Road-making and construction machinery/vehicles, refuse removal vehicles, street sweepers, etc.).
   
   (c) motor cycles (including motor scooters and 3-wheeled vehicles)
   
   (d) buses (including any vehicle used for business purposes and designed to seat more than 16 persons, including the driver)
   
   (e) trailers, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle, but excluding any parts or accessories not permanently fitted thereto.
   
   (f) Agricultural type tractors
   
   (g) Any such vehicle being owned, hired, leased or used by the Insured, but excluding vehicles more specifically insured.

**Extensions**

1. **Contingent liability extension**
   
   The indemnity under sub-section B includes claims made against
   
   (a) the Insured in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of or provided by the Insured, while being used by any partner or director or employee of the Insured (hereinafter in this extension referred to as such person)

   (b) any such person in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to him or to the Insured or leased or hired by either of them, but only in so far as such person has not been refused any motor insurance or continuance thereof by any Insurer
provided that

(i) all the words in (b) of the exceptions to sub-section B are deleted

(ii) the company shall not be liable for loss of or damage to any motor vehicle being used for the purposes and in the manner described in (a) and (b) above

(iii) the payment by the insured of subsidies or travelling allowances to such person for the use of his own vehicle for official purposes of the insured, including the carriage of persons for such purposes, is allowed without prejudice to the insurance by this extension

(iv) if, at the time of the occurrence of any accident giving rise to a claim under this extension, the insured or such person is entitled to indemnity under any other policy in respect of the same occurrence, the company shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other policy

(v) the terms exceptions and conditions of the policy shall otherwise apply.

2. Passenger liability extension (if stated in the schedule to be included)

Exception (b) to sub-section B shall not apply to vehicles described in definition (b), other than special types, or in definitions (c), (d) or (e). The limit of indemnity for any one occurrence shall not exceed the amount stated in the schedule.

3. Unauthorised passenger liability extension (if stated in the schedule to be included)

The indemnity under sub-section B, notwithstanding exception (b) thereto, extends to cover the insured's legal liability for death of or bodily injury to persons while being carried in or upon or entering or getting onto or alighting from any vehicle in contravention of the insured's instructions to their driver not to carry passengers. The limit of indemnity for any one occurrence shall not exceed the amount stated in the schedule.

4. Parking facilities and movement of third party vehicles extension (if stated in the schedule to be included)

This section extends to indemnify the insured in respect of accidents caused by or through or in connection with the moving of any vehicle (not owned or borrowed by or hired or leased to the insured) by any person in the employment of the insured or acting on the insured's behalf, provided always that such vehicle was being moved

(a) with the authority of any tenant, customer or visitor of the insured or

(b) in connection with the insured's parking arrangements or

(c) to facilitate the carrying out of the insured's business,

and provided further that this extension shall not apply in respect of damage to vehicles which are parked for reward.

For the purpose of this extension, such vehicle (and its contents) shall not be deemed to be held in trust by, or in the custody or control of, the insured.
5. **Windscreen extension (if stated in the schedule to be included)**

The provisions of this section relating to first amount payable and No Claim Rebate shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle provided that

(a) no other damage has been caused to the vehicle giving rise to a claim under the policy

(b) the insured shall be responsible for the first amount payable (applicable to glass) stated in the schedule of each and every loss.

6. **Waiver of subrogation rights**

For the purposes of this section, the company waives all rights of subrogation or action which they may have or acquire against any other person to whom the indemnity hereunder applies, and each such person shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this insurance in so far as they can apply.

7. **Principals**

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

8. **Cross liabilities**

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

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

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:

(i) civil commotion, labour disturbances, riot, strike or lockout;

(ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above;

provided that 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.

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.

10. **Loss of keys extension (if stated in the schedule to be included)**

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

\[(i)\] the company's liability shall not exceed, in respect of any one event, the amount stated in the schedule

\[(ii)\] such amount shall be reduced by the first amount payable stated in the schedule.

The provisions of this section relating to first amount payable and No Claim Rebate shall not apply to this extension.

11. **Fire extinguishing charges extension**

Any costs (not exceeding RS 000) relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which the company may be liable in terms of this section, provided the insured is legally liable for such costs and the insured property was in danger from the fire.

12. **Wreckage removal extension (if stated in the schedule to be included)**

The cover provided under sub-section A of this section is extended to include costs and expenses incurred by the insured in respect of the clearing up and removal of debris and wreckage of any insured vehicle following damage to such vehicle by a defined event, provided that, in addition to the limit of indemnity under sub-section A of this section, the limit of the company's liability under this extension shall not exceed, in respect of any one occurrence, the limit stated in the schedule to apply to this extension.
13. Credit shortfall extension (if stated in the schedule to be included)

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

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

provided always that

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

Memoranda

1. Premium adjustment clause

If this section is issued on a non-specified vehicle basis, the insured shall submit to the company at the end of each period of insurance a declaration of the total number of vehicles owned, hired or leased at such expiry date. The company shall, upon receipt of this declaration, make a premium adjustment of 50 percent of the annual rate per vehicle applied to the difference in the number of vehicles at inception or renewal and the number declared.

2. War clause

In respect of sub-sections B and C only, General exception 1 is deleted and replaced by the following:

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

3. Description of use clause

Use for social domestic and pleasure purposes and use for the business or occupation of the insured excluding
hiring, carriage of passengers for hire or carriage of fare paying passengers, racing speed or other
contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the
capacity for which it is constructed or licensed to carry or use for any purpose in connection with the motor
trade. The indemnity to the insured in connection with any vehicle shall operate while such vehicle is in
the custody or control of a member of the motor trade for the purpose of its overhaul, upkeep or repair.

Optional limitations

Third party only limitation (if stated in the schedule to be applicable)
Sub-sections A and C and the No-Claim Rebate provisions are cancelled.

Third party fire and theft only limitation (if stated in the schedule to be applicable)
The liability of the company under sub-section A is restricted solely to loss or damage resulting from fire,
self-ignition, lightning or explosion or by theft or any attempt thereat. Further, sub-section C and the No-Claim
Rebate provisions are cancelled.

Specific exceptions

1. The company shall not be liable for any accident, injury, loss, damage or liability
   (a) whilst the vehicle is being used with the general knowledge and consent of the insured otherwise
       than in accordance with the description of use clause
   (b) incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe
       and Malawi, but the insurers will indemnify the insured against loss of or damage to any vehicle
       while in transit by sea or air between ports or places in these territories including loading and
       unloading incidental to such transit
   (c) incurred while any vehicle is being driven by
       (i) the insured while under the influence of intoxicating liquor or drugs (unless administered by
           or prescribed by and taken in accordance with the instructions of a member of the medical
           profession other than himself) or while not licensed to drive such vehicle
       (ii) any other person with the general consent of the insured who, to the insured's knowledge, is
           under the influence of intoxicating liquor or drugs (unless administered by or prescribed by
           and taken in accordance with the instructions of a member of the medical profession other
           than himself) or who is not licensed to drive such vehicle, but this shall not apply if the
           insured was unaware that the driver was unlicensed and the insured can prove to the
           satisfaction of the company that, in the normal course of his business, procedures are in
           operation to ensure that only licensed drivers are permitted to drive insured vehicles.

   provided that any driver shall be deemed to be licensed to drive the vehicle if he is complying with the
   licensing laws relating to any of the territories referred to under Specific exception (b), or if
   non-compliance with any licensing law is solely because of failure to renew any licence subject to periodic
   renewal, or if a licence is not required by law, or while such driver is learning to drive and is complying with
   the laws relating to learners.

2. The company shall not be liable for any claim arising from contractual liability, unless such liability would
   have attached to the insured notwithstanding such contractual agreement.
Specific condition

If, during the currency of this section, any driver's licence in favour of the insured or their authorised driver is endorsed, suspended or cancelled, or if he or they shall be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to the company immediately the insured have knowledge of such fact.
Section D : Public Liability

Defined Events

Damages which the Insured shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person (hereinafter termed injury), or accidental loss of or physical damage to tangible property (hereinafter termed damage) occurring within the territorial limits during the period of insurance in the course of or in connection with the business.

Limits of indemnity

The amount payable, inclusive of any legal costs recoverable from the Insured by a claimant or any number of claimants and all other costs and expenses incurred with the Insurer’s consent (which shall not be unreasonably withheld) for any one event or series of events with one original cause or source, shall not exceed the limit of indemnity stated in the schedule.

Specific exceptions

The Insurer will not indemnify the Insured in respect of

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

2. damage to
   (a) (i) property belonging to the Insured
        (ii) property in the custody or control of the Insured or any employee of the Insured
   (b) that part of any property on which the Insured are or have been working if such damage results directly from such work

3. liability consequent upon injury or damage
   (a) 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
   (b) caused by or through or in connection with the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft, locomotive or rolling stock, provided that this exception shall not relieve the company of liability to indemnify the Insured in respect of liability consequent upon injury or damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such injury or damage is not Insured by any other insurance policy
   (c) caused by or through or in connection with
       (i) the refueling of aircraft
       (ii) the ownership, possession, maintenance, operation or use of aircraft or an airline
(iii) the ownership, hire or leasing of any airport or airstrip

(d) caused by or through or in connection with goods or products (including containers and labels) sold or supplied and happening elsewhere than on premises occupied by the Insured other than food and drink supplied incidentally for consumption on the premises

(e) occurring after the completion and handing over of any work and caused by or through or in connection with any defect or error in or omission from such work

4. damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure

5. liability assumed by agreement (other than under the Insured's own standard conditions of contract) unless liability would have attached to the Insured notwithstanding such agreement

6. (a) liability in respect of injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence

(b) the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence

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

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

8. (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 8(a) above

9. the first amount payable.

The Insured shall be responsible for the first amount payable as stated in the schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or original cause. The provisions of this clause shall apply to claims arising from damage and shall apply to costs and expenses incurred by the Insured.

Memorandum

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"
Extensions

Additional Insured

The Insurer will also, as though a separate policy has been issued to each, indemnify

(a) in the event of the death of the Insured, any personal representative of the Insured in respect of liability incurred by the Insured

(b) any partner or director or employee of the Insured (if the Insured so requests) against any claim for which the Insured is entitled to indemnity under this insurance

(c) to the extent required by the conditions of any contract (and notwithstanding Specific exception 5), and in connection with any liability arising from the performance of the contract, any employer named in any contract entered into by the Insured for the purposes of the business

(d) in respect of the activities of any social or sports club, welfare organisation, first aid, fire or ambulance service, canteen or the like, belonging to or formed by the Insured for the benefit of their employees,

(i) any officer or member thereof

(ii) any visiting sports team or member thereof

provided that

(i) the aggregate liability of the Insurer is not increased beyond the limits of indemnity stated in the schedule

(ii) any person or organisation to which this extension applies is not entitled to indemnity under any other policy

(iii) the indemnity under (a), (b) and (c) applies only in respect of liability for which the Insured would have been entitled to indemnity if the claim had been made against the Insured.

For the purposes of this extension, the Insured waives all rights of subrogation or action which they may have or acquire against any of the above, and each party to whom the indemnity hereunder applies shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this insurance in so far as they can apply.

Security Firms

Notwithstanding Specific exception 5, if in terms of a contract with a security firm engaged to protect the insured’s property in the course of the business of the Insured stated in the schedule or persons, the Insured becomes legally liable for the acts or omissions of the employees of the security firm in the course of their employment, then this section includes such legal liability to the extent that indemnity would have been granted under this section had the said employees been under a contract of service to the Insured and not the security firm, but not exceeding the limit of liability stated in the schedule. If, at the time of an event giving rise to a claim, the security firm is entitled to indemnity under any other policy in respect of the same event, the Insurer shall not be liable to make any payment except in respect of any amount above the amount payable under such other policy.
Cross liabilities

Where more than one Insured is named in the schedule, the Insurer 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 Insurer shall not exceed the limit of indemnity stated in the schedule.

Tools of Trade

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

Employees' and visitors' property

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

Liability by agreement

Notwithstanding the provisions of Specific exceptions 2(a)(ii), 3(b) and 5, this section extends to indemnify the Insured

(a) against liability assumed by the Insured under any contract entered into with or indemnity given to Transnet, government or quasi-government departments, provincial administrations, municipalities and/or similar bodies covering the use of railway sidings or in respect of cartage (hazardous premises) agreements and/or agreements of a similar nature

(b) against liability arising from loss of or damage to property belonging to Transnet while in the Insured's custody or control

(c) in respect of liability caused by or through or in connection with any vehicle, trailer, locomotive or rolling stock belonging to Transnet while being used by or on behalf of the Insured at any railway siding.

Unattached Trailers

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

(i) which is insured by or would, but for the existence of this section, be insured by any other policy or policies effected by the Insured

(ii) as falls within the scope of any compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected.
Emergency Medical Expenses

The Insurer will indemnify the Insured for all reasonable expenses incurred by the Insured for such immediate medical treatment as may be necessary at the time of an accident causing injury to any person who may be the subject of a claim for indemnity by the insured in terms of this section.

Car Parks

Notwithstanding the provisions of Specific exception 2(a)(ii), the Insurer will indemnify the Insured in respect of liability as herein provided arising from loss of or damage to vehicles and their contents and accessories, the property of tenants, customers, visitors or employees of the Insured using parking facilities provided by the Insured.

Tenants’ Liability

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

Products Liability

Notwithstanding anything to the contrary contained in Specific exception 3(d), the company will indemnify the insured in respect of defined events happening anywhere in the territories stated in the schedule elsewhere than at premises occupied by the insured, and caused by goods or products (including containers and labels) sold or supplied (including wrongful delivery and delivery of incorrect goods) by the insured in connection with the business. The amount payable under this extension inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with the company's consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

Additional Specific Exceptions (applicable to Products Liability Extension)

This extension does not cover liability

(i) for the cost of repair, alteration, recall or replacement of the goods or products (including containers and labels) causing injury or damage

(ii) for the cost of demolition, breaking out, dismantling, delivery rebuilding, supply and installation of goods or products (including containers and labels) and any other property essential to such repair, alteration or replacement unless physically damaged by the goods or products

(iii)  (a) arising from defective or faulty design, formula, plan or specification, but if the insured is a retailer this specific exception (iii) does not apply if the insured's activities are wholly restricted to sales, distribution and/or marketing (including any marketing advisory service accompanying the products) of the product, and the insured's activities do not include final preparation which means repackaging, packing, labelling, cleaning or provision of operating instructions prior to sale to the insured's original customers, or include any enhancement, amendment or alteration to the product

(b) arising from inefficacy or failure to conform to specification, unless such inefficacy or failure is due to negligence in the following of such specification

(iv) arising from goods or products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft
(v) in respect of injury or damage happening in the United States of America or Canada caused by or through or in connection with any goods or products sold or supplied by or to the order of the insured, if such goods or products have, to the insured's knowledge, been exported to the United States of America or Canada by or on behalf of the insured.

Defective Workmanship Liability

Specific exception 2(b) and 3(e) are deleted. The amount payable under this extension, inclusive of any legal costs recoverable from the Insured by a claimant or any number of claimants, and all other costs and expenses incurred with the Insurer's consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

Additional Specific Exceptions (applicable to defective workmanship liability)

This extension does not cover liability

(i) for the cost of rectifying or recalling defective work
(ii) arising from inefficacy of such work or because the work did not produce the result anticipated or claimed
(iii) arising prior to the handing over of such work
(iv) arising from defective design
(v) arising from any work on any aircraft or part thereof.

Legal Defence Costs

If the Insured so request, the Insurer will indemnify any employee, partner or director of the Insured against costs and expenses not exceeding the amount stated in the schedule incurred by or on behalf of such person with the consent of the Insurer in the defence of any criminal action brought against such person in the course of his occupation with the Insured arising from an alleged contravention of the statutes as herein defined during the period of insurance provided that

(i) in the case of an appeal, the Insurer shall not indemnify such person unless a senior counsel approved by the Insurer shall advise that such appeal should, in his opinion, succeed
(ii) the Insurer shall not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any loss consequent thereon
(iii) such person shall, as though he were the Insured, observe, fulfil and be subject to the terms, exceptions and conditions of this policy and this section thereof 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).
Wrongful Arrest and Defamation

The defined events are 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 shall not exceed those stated in the Schedule.

Vibration, Removal or Weakening of Support

Notwithstanding the provisions of Specific Exception 4 of this Section, the Insurer will indemnify the Insured in respect of damages which the Insured shall become legally liable to pay in respect of injury or damage arising from vibration or the removal of or weakening of or interference with support to the property, land or buildings provided that the liability of the Insurer shall not exceed the Limit of Indemnity stated in the Specification during the period of insurance.
Section E : Employers Liability

Defined Events

Damages which the Insured shall become legally liable to pay consequent upon death of or bodily injury to or illness of any person employed under a contract of service or apprenticeship with the Insured, which occurred in the course of and in connection with such person's employment by the Insured within the territorial limits and on or after the retroactive date shown in the schedule, and which results in a claim or claims first being made against the Insured in writing during the period of insurance.

The limit of Indemnity

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

Specific exceptions

This section does not cover

(a) 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

(b) liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event

(c) fines, penalties, punitive, exemplary or vindictive damages

(d) (i) damages in respect of 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

(ii) costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the area described in (d)(i) above

(e) any claim arising from an event known to the Insured

(i) which is not reported to the Insurer in terms of General Condition 2

(ii) prior to inception of this section

(f) any claim (in the event of cancellation or non-renewal of this section) not first made in writing against the Insured within the 48 month period (or extended period in respect of minors) as specified in Specific Condition 2.
Specific Conditions

1. Any claim first made in writing against the Insured as a result of a defined event reported in terms of General Condition 2 (hereinafter termed reported event) shall be treated as if it had first been made against the Insured on the same day that the insured reported the event to the Insurer.

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

3. Any series of claims made against the Insured by one or more than one claimant during any period of insurance consequent upon one event or series of events with one original cause or source shall be treated as if they all had first been made against the Insured
   (a) on the date that the event was reported by the insured in terms of General Condition 2
   or
   (b) if the Insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the Insured.

Extensions

Employee to Employee Extension

The indemnity granted shall extend to the Insured's option and subject to the agreement of Insurers (which agreement shall not be unreasonably withheld) to any Employee of the Insured in respect of his liability to any other Employee whilst acting within the scope of his employment by the Insured.

Provided always that:

a) Such employee shall as if he were the Insured, observe, fulfil and be subject to the Terms, Exclusions and Conditions of the policy insofar as they can apply;

b) if at the time of any occurrence or claim there is, or for the existence of this Extension there would be, any other insurance or indemnity in favour of or effected by or on behalf of such Employee applicable to such an occurrence or claim, the Insurers shall not be liable to indemnify the Employee in terms of this Extension.
**Principals**

Where a principal and the Insured are liable for the same damages and where any contract or agreement between a principal and the Insured so requires, the Insurer will, notwithstanding the aforementioned Specific exception (a) above, indemnify the principal in like manner to the Insured but only so far as concerns the liability of the principal to an employee as aforementioned for death or bodily injury to or illness of such person resulting from the negligence of the Insured or the Insured's employees

provided that

(a) in the event of a claim in terms of this extension, the Insured shall endeavour to arrange with the principal for the conduct and control of all claims to be vested in the Insurer

(b) the principal shall, as though he were the Insured fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this policy in so far as they can apply

(c) the liability of the Insurer is not hereby increased.

**Memorandum**

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

This section does not cover death, injury, illness 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.
Section F : Compensation for Occupational Injuries and Diseases

Contingencies

In terms of Section 84 (1) (a) (ii) of the Compensation for Occupational Injuries and Diseases Act 130 of 1993 (as amended), the eThekwini Municipality is exempted from the payment of assessments for the benefit of the Compensation Fund established in terms of Section 15 of such Act and the Insurer hereby indemnifies the Insured in respect of all sums for which the Insured shall become legally liable in terms of the said Act.

The Insurer will also indemnify the Insured in respect of the additional sums for which the Insured shall become liable in pursuance of the application of the terms of the Council Resolution dated 3 February 1975 relating to the payment of increased benefits in respect of those employees falling within the scope of the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 (as amended) who are injured on duty.
Contingencies

The Insurer indemnifies any officer, employee or servant of the Insured against any liability arising out of any surcharge of any amount in respect of a disallowance referred to in Section 181(1)(b) or (c) of Ordinance No. 25 of 1974 arising in either case from any act, omission, misconduct, neglect or default of any such officer, employee or servant acting in the course of his duties of employment other than any willful act, omission, misconduct or default.
Section H : Stated Benefits

Defined events

Bodily injury caused by accidental, violent, external and visible means to any principal, partner, director or employee of the Insured (hereinafter in this section referred to as such person) specified in the schedule. The Insurer will pay to the Insured, on behalf of such person or his estate, the compensation stated in the schedule in the event of accidental bodily injury to any such person directly and independently of all other causes resulting within 24 calendar months in death or disability as specified in the schedule under the heading circumstances.

Definitions

Permanent disability shall mean

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage of compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) loss by physical separation at or above the wrist or ankle of one or</td>
<td>100</td>
</tr>
<tr>
<td>more limbs</td>
<td></td>
</tr>
<tr>
<td>(b) permanent and total loss of</td>
<td></td>
</tr>
<tr>
<td>whole eye</td>
<td>100</td>
</tr>
<tr>
<td>sight of eye</td>
<td>100</td>
</tr>
<tr>
<td>sight of eye except perception of light</td>
<td>100</td>
</tr>
<tr>
<td>(c) permanent and total loss of hearing</td>
<td></td>
</tr>
<tr>
<td>both ears</td>
<td>100</td>
</tr>
<tr>
<td>one ear</td>
<td>25</td>
</tr>
<tr>
<td>(d) permanent and total loss of speech</td>
<td>100</td>
</tr>
<tr>
<td>(e) injuries resulting in permanent total incapacity from following usual</td>
<td>100</td>
</tr>
<tr>
<td>occupation or any other occupation for which such person is fitted by</td>
<td></td>
</tr>
<tr>
<td>knowledge or training</td>
<td></td>
</tr>
<tr>
<td>(f) loss of four fingers</td>
<td>70</td>
</tr>
<tr>
<td>(g) loss of thumb</td>
<td></td>
</tr>
<tr>
<td>both phalanges</td>
<td>25</td>
</tr>
<tr>
<td>one phalanx</td>
<td>10</td>
</tr>
<tr>
<td>(h) loss of index finger</td>
<td></td>
</tr>
<tr>
<td>three phalanges</td>
<td>15</td>
</tr>
<tr>
<td>two phalanges</td>
<td>10</td>
</tr>
<tr>
<td>one phalanx</td>
<td>5</td>
</tr>
<tr>
<td>(i) loss of any other finger</td>
<td></td>
</tr>
<tr>
<td>three phalanges</td>
<td>10</td>
</tr>
<tr>
<td>two phalanges</td>
<td>8</td>
</tr>
<tr>
<td>one phalanx</td>
<td>4</td>
</tr>
<tr>
<td>(j) loss of metacarpals</td>
<td></td>
</tr>
<tr>
<td>first or second (additional)</td>
<td>3</td>
</tr>
<tr>
<td>third, fourth or fifth (additional)</td>
<td>2</td>
</tr>
<tr>
<td>(k) loss of toes</td>
<td></td>
</tr>
<tr>
<td>all on one foot</td>
<td>30</td>
</tr>
<tr>
<td>great, both phalanges</td>
<td>10</td>
</tr>
<tr>
<td>great, one phalanx</td>
<td>5</td>
</tr>
<tr>
<td>other than great, if more than one toe</td>
<td>5</td>
</tr>
</tbody>
</table>
Memoranda

(i) Where the injury is not specified, the Insurer will pay such sum as, in their opinion, is consistent with the above provisions.

(ii) Permanent total loss of use of part of the body shall be treated as loss of such part

(iii) 100 percent shall be the maximum percentage of compensation payable for permanent disability resulting from an accident or series of accidents arising from one cause in respect of any one such person.

Temporary total disability shall mean total and absolute incapacity from following usual business or occupation.

Medical expenses shall mean all costs and expenses necessarily incurred for artificial aids, prostheses, medical, surgical, dental, nursing home or hospital treatment (including costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) as a result of bodily injury and incurred within 24 months of the defined event.

Annual earnings shall mean the annual rate of wage, salary and cost of living allowance being paid or allowed by the insured to such person at the time of accidental bodily injury plus overtime, house rents, food allowances, commissions and other considerations of a constant character paid or allowed by the insured to such person during the 12 months immediately preceding the date of accidental bodily injury.

Average weekly earnings shall mean one fifty-second part of annual earnings.

Business Limitation

This section applies only in respect of accidental bodily injury to such person arising from and in the course of his employment in the business.

Provisos

It is declared and agreed that

1. the Insurer shall not be liable to pay, for death or disability resulting from an accident or series of accidents arising from one cause in respect of any one such person, more than the compensation payable for death or permanent disability (whichever is the higher) plus any compensation payable for temporary total disability and medical expenses.

2. the compensation specified for temporary total disability shall be payable for not more than the number of weeks stated in the schedule and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible, notwithstanding that permanent disability may remain;

3. unless otherwise provided herein, this section shall not apply to any such person under 15 or over 70 years of age;

4. any compensation payable by the company for any period of temporary total disability or for medical expenses shall be reduced by an amount equal to the compensation received or receivable by or on behalf of such person under any workmen's compensation enactment for temporary disability for the same or a lesser period or in respect of medical expenses;
5. after suffering accidental bodily injury for which compensation may be payable under this section, such person shall, when reasonably required by the company so to do, 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;

6. General Condition 10 does not apply to this section;

7. in respect of this section only, General exception 1 is deleted and replaced by the following: This section does not cover death or injury 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.

**Extensions**

1. **Exposure**

   Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements, directly or indirectly resulting from mishap.

2. **Disappearance**

   In the event of the disappearance of any such person in circumstances which satisfy the Insurer that he has sustained injury to which this section applies, and that such injury has resulted in the death of such person, the Insurer will, for the purposes of the insurance afforded by this section, presume his death provided that if, after the Insurer shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the Insured to the Insurer.

3. **Burns disfigurement**

   Subject to the exclusion shown below, the following item is added to the "Permanent disability" definition:

<table>
<thead>
<tr>
<th>Percentage of Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) permanent disfigurement resulting from accidental external burns to the combined surface area of the face and neck</td>
</tr>
<tr>
<td>100% surface area disfigurement less than 100% surface area disfigurement</td>
</tr>
<tr>
<td>(ii) remaining parts of the body other than the face and neck</td>
</tr>
<tr>
<td>100% surface area disfigurement less than 100% surface area disfigurement</td>
</tr>
</tbody>
</table>

   The company shall not pay under any sub item of this extension unless the disfigurement exceeds 10% for the sub item under which a claim is lodged.
4. **Life support Machinery**

Notwithstanding anything contained in the defined events, the twenty four month period stated therein shall not include any period or periods where the death of such person is delayed solely by the use, for periods of not less than three consecutive days, of life support machinery, equipment or apparatus.

**Specific exceptions**

The Insurer shall not be liable to pay compensation for death, disability or medical expenses in respect of such person

(a) while he is travelling by air other than as a passenger and not as a member of the crew or for the purpose of any trade or technical operation therein or thereon.,

(b) by his suicide or intentional self injury.

(c) caused solely by an existing physical defect or other infirmity of such person.,

(d) as a result of the influence of alcohol, drugs or narcotics upon such person unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession (other than himself);

(e) as a result of his participation in any riot or civil commotion.,

(f) in the case of females, directly or indirectly resulting from or prolonged or accelerated by or attributable to pregnancy, childbirth, abortion, miscarriage, obstetrical procedures or any sequelae thereof,-

(9) while he is, or as a result of his, engaging in

(i) motor cycling (whether as a driver or passenger) other than on the business of the insured

(ii) racing of any kind involving the use of any power driven

(aa) vehicle

(ab) vessel

(ac) craft

(iii) mountaineering necessitating the use of ropes, winter sports involving snow or ice (other than skating or curling), polo on horseback, steeplechasing, professional football or hang-gliding.
Section I: Contract Works (Principal Controlled Contractors)

The Insured:

1. As the Employer:

As stated in the Schedule their subsidiary and/or associated companies and organizations including Divisions and Companies in which they have direct or indirect control and organizations or persons for whom any of the above undertake to arrange insurance including consortia joint ventures and partnerships.

1. As the Contractor:

(a) Small, Medium and Micro Enterprises contracted by the Insured where the Contract value at inception does not exceed R200 000 (Two Hundred Thousand Rand) and arising out of such Contractor’s contractual obligations.

(b) The Employer to the extent that the Employer undertakes work in connection with the Insured Contract.

2. To the extent required by contract or agreement:

(a) sub-contractors undertaking work in connection with the Insured Contract;

(b) transporters and persons providing a storage facility in respect of liability loss or damage arising out of the Insured Contract:

(c) other persons undertaking work at the Contract Site in respect of liability loss or damage arising at the Contract Site;

(d) transporters and persons providing a storage facility in respect of liability loss or damage arising out of the Insured Contract;

for their respective rights and interests.

Period of Insurance

1. From commencement to completion as agreed in terms of the Contract. In the event of the Insured Contract not having been completed by the end of this period the Policy shall remain in full force and effect for an additional period necessary to achieve completion at terms to be agreed.

2. Followed by the maintenance or defects liability period as may be defined in the Insured Contract documents, but not exceeding 24 months.

3. Upon cancellation or non-renewal of this Policy and unless otherwise agreed with the Insurer, this Policy shall continue to be in force for any Insured Contract awarded prior to the renewal date or the expiry of the period of notice with the terms, Exceptions and Conditions to apply mutatis mutandis until completion (including maintenance) of such Insured Contract, provided that such Insured Contract shall be in progress or be commenced within 90 days of cancellation or non-renewal.
The Insured shall provide to the Insurer a detailed schedule of all such contracts within 30 days of cancellation or non-renewal.

The Insured Contracts

Any undertaking (as may be more fully described in contract documents) or work by or for or on behalf of the Insured and occupation or use thereof and to the extent not otherwise insured including any undertaking awarded or commenced prior to inception of the Period of Insurance but excluding work:

1. involving the installation of plant intended for the processing of hydrocarbons which term shall include but not be limited to plant intended for the processing of petrochemicals, ammonia, fertilizers and the like and shall be deemed to include any plant which for its commercial operation requires exothermic reaction by the introduction of catalysts;

2. on an existing airport runway or airstrip or in or on any aircraft;

3. in or on waterborne vessels; or

4. involving harbours, jetties, piers, wharves, dams, canals, water channels, tunneling, shaft-sinking, underground work and bridges over water courses.

Sub-Section A - Works

Contingencies

The Insurer shall indemnify the Insured against physical loss or damage to Property Insured within the Territorial Limits.

Application

The insurance shall apply:

1. during dismantling of Property Insured in connection with the Insured Contract.

2. during transit including loading, unloading and temporary storage;

3. during preparation of the Contract Site and while the Property Insured is on the Contract Site until completion of and transfer of risk in the whole of the permanent works under the Insured Contract to the Employer:
   a) where testing and commissioning of the Property Insured is conducted by the Employer “completion” for purposes of this insurance shall be deemed to occur only after successful completion of all testing and commissioning of the whole of the permanent works under the Insured Contract;
   b) to the extent that the permanent property insurance arranged by the Employer indemnify the Insured for completed portions of the Property Insured prior to completion of the whole of the permanent works under the Insured Contract, this insurance in respect of such completed portions of the Property Insured shall cease except as provided in 4 below; and
   c) work not completed or outstanding in terms of any certificate of completion, certificate of handover or similar document shall continue to be insured until its completion and the inception of the maintenance or defects liability period (as may be described in the Insured Contract) for such incomplete or outstanding work whereafter the provision of 4 below shall apply in respect of such work; and
4. during the maintenance or defects liability period (as may be described in the Insured Contract) but only in respect of loss or damage for which the Insured Contractor is liable under the maintenance or defects liability provisions of the Contract as a result of a cause occurring prior to commencement of the maintenance period. The limitation of cover shall only apply to the particular Contractor who has handed over any part of the permanent works and whose continued obligations in respect of any part of the permanent works are described by the maintenance or defects liability provisions of the Contract.

**Property Insured**

Permanent works and temporary works (as more fully described in the contract) and all materials, plant, equipment and other things intended for work thereon or for incorporation in the permanent works or temporary works belonging to the Insured or for which they are or hold themselves responsible or which they are required to insure and pertaining to the Insured Contract.

For the purpose of this insurance the term “temporary works” shall include constructional aids equipment and other property used or intended for use in the performance of the Insured Contract which:

1. do not compromise self-propelled, wheeled or tracked plant; or
2. do not form part of the permanent works.

**Sum Insured**

The Sum Insured for the indemnity in respect of any one occurrence or series of occurrences attributable to one original cause shall not exceed the estimated contract value plus the value of free issue materials for which the Insured is responsible and as stated in the Specification.

It is however agreed that the Sum Insured shall be increased in respect of:

1. Contract Escalation in the event of an increase in the Insured Contract value or value of work during the period of the Insured Contract, by an amount equal to 30% of the Sum Insured;
2. Post Loss Escalation in the event of the indemnity to be provided hereunder exceeding the sum of the Sum Insured plus Contract escalation, by an amount equal to 30% of the Sum Insured; and
3. Devaluation in the event of devaluation of the South African currency against the country of origin occurring after commencement of the Insured Contract, by an amount equal to 30% of the Sum Insured.

**Testing Period**

30 (Thirty) days (not necessarily consecutive).

**Exceptions**

1. The costs necessary to replace, repair or rectify any of the Property Insured which is in a defective condition due to a defect in design, plan, specification, materials or workmanship, but this Exclusion shall not apply to the remainder of the Property Insured which is free of such defective condition but is damaged as a consequence of such defect.
2. Loss of Property Insured by disappearance or shortage where such loss is revealed only by the making of a routine inventory or by periodic stocktaking.
3. Consequential loss of whatsoever nature other than as provided for elsewhere in this Policy liquidated damages or penalties for delay or detention or in connection with guarantees of performance or efficiency.
4. Loss of or damage to the Property Insured arising during continuation of any marine or air transit (other than marine or air transit entirely within the Territorial Limits) or whilst in storage thereafter where (unless the property has been examined for damage and found to be in good order before onward transshipment) such loss or damage is only discovered upon unpacking and examination of the Property Insured and cannot be related to a specific event occurring during any such continuation of transit or storage.

5. Loss of or damage due to total cessation of work and abandonment of the Insured Contract for a period exceeding 90 consecutive days. This Exception shall however not apply in respect of loss or damage due to fire or explosion.

6. Normal wear and tear, gradual deterioration due to atmospheric conditions or otherwise, rust, erosion, corrosion or oxidation unless caused as a direct result of loss or damage which is otherwise insured by this Section.

7. Should such normal wear and tear, gradual deterioration due to atmospheric conditions or otherwise, rust, erosion, corrosion or oxidation as a consequent cause loss or damage to the Property Insured then this insurance shall extends to cover such consequential loss or damage.

Special Exceptions Applicable only to Contracts for Mechanical and Electrical Works

1. Loss of or damage to any item of Property Insured due to its own explosion, breakdown or derangement occurring after the Testing Period specified herein on which the property has operated under load conditions. The Testing Period shall be exclusive of any period during which pneumatic, hydrostatic, electrical insulation, continuity or polarity tests and the individual operation of auxiliaries have been carried out.

2. Loss of or damage to any part of the Property Insured which has operated under operating load conditions prior to commencement of the Insured Contract due to its own electrical or mechanical breakdown or explosion (unless otherwise agreed by Insurer). This Special Exception shall not apply to Property Insured which has been refurbished to “as new” operating specifications.

3. Loss of or damage to installed refractories arising from the intentional application or withdrawal of heat (other than from an extraneous cause or as a result of a peril which is otherwise insured by this Policy).

Extensions

1. Additional Costs

Provided the indemnity provided herein shall not exceed the amount stated in the Specifications cover is extended to include:

a) costs and expenses in respect of

(i) provision of hoarding, shoring, propping, covering and protection of property;

(ii) extinguishing and fighting of fire, recovery;

(iii) demolition and removal of property;

(iv) removal and disposal of wreckage, detritus, water and other matter;

(v) restoring the Contract Site;

(vi) gaining access to the Contract Site or the works and restoring normal working conditions;
(vii) complying with the requirements of the Insured Contract or any statutory body;
(viii) professional fees;
(ix) removing property to suitable premises for repair;
(x) delivering repaired or replacement property to the situation where the loss or damage or to premises as directed by the Insured; and
(xi) establishment supervision and overhead charges; and
(b) expediting measures express delivery (including airfreight) customs dues and charges overtime and holiday rates of wages.

2. **Costs and Expenses – No Damage**

   All costs necessarily or reasonably incurred by the Insured in respect of the removal of debris, detritus and water providing, erecting and maintaining any hoarding required during demolition, site clearing, cleaning or reconstruction or in protecting the Property Insured against further loss or damage regaining access to the Works or in restoring working conditions following the operation of any peril, cause or occurrence within the Territorial Limits not excluded by the Exceptions and notwithstanding that no physical loss or damage to Property Insured has occurred.

3. **Other Property Insured**

   Notwithstanding anything to the contrary in this Section, the Insurer will indemnify the Insured in respect of any one occurrence or series of occurrences attributable to one original cause, up to the amount stated in the Specification against loss or damage to property, not otherwise insured by this Section, which is in the custody or control of or being worked on by the Contractor and arising in connection with the Insured Contract provided that the indemnity shall not apply to loss or damage for which indemnity is provided under any Public Liability insurance for the benefit of the Contractor nor to any constructional plant, machinery or equipment used or intended for use on the contract.

4. **Principal’s Own Surrounding Property**

   Notwithstanding anything to the contrary in this section the Insurer will indemnify the Insured in respect of loss or damage caused to property belonging to the Principal but which is outside of the agreed contract site and arising out of the activities of the Contractor (whether part of the Contract or not). The liability of the Insurer shall not exceed the Limit stated in the Schedule.

**Sub-Section B – Liability**

**Contingencies**

The Insurer agrees to indemnify or compensate the Insured in respect of the Insured Events up to the Limits of Indemnity stated in the Schedule.

**Insured Events**

All sums which the Insured shall become legally liable to pay as damages consequent upon:

1. accidental death of or injury to or illness or disease of any person;
2. accidental loss or damage; and
3. interference with the right of access to property or any easement, right of air, light, water or way or the enjoyment or use thereof by obstruction, trespass, loss of amenities, nuisance or any like cause;
occurring during the Period of Insurance and arising out of or in connection with the Insured Contract.

The Insurer shall indemnify the Insured against all costs and expenses incurred with the consent of the Insurer in connection with the defence or settlement of any claim hereunder.

**Limit of Indemnity**

The Insurer will not indemnify the Insured for:

1. liability of the Insured in respect of or arising out of death, illness or bodily injury or disease sustained by any person under contract of service or apprenticeship with such Insured arising out of and in the course of his employment by such Insured;

2. liability caused by the ownership or possession by or use under the control of the Insured of:
   a) any motor vehicle or trailer.
      This exception shall not apply to liability:
         (i) arising out of the use or operation of any vehicle or trailer as a tool or anything carried therein or thereon attached thereto or used in connection therewith or anything manufactured by or container therein;
         (ii) arising beyond the limits of any carriageway or thoroughfare or in connection with the loading or unloading of any vehicle or trailer or the bringing to or taking away a load from any vehicle or trailer;
         (iii) arising out of or in connection with any vehicle or trailer (including contents) not owned, hired or leased by the Insured whilst on any premises provided by the Insured for the purpose of moving or parking such vehicle or trailer; or
         (iv) in connection with any detached trailer other than any trailer that has become accidentally detached from a motorised vehicle on a public road; and
   b) any aircraft (other than arising out of the traveling of the Insured’s personnel as passengers in aircraft) or watercraft (other than watercraft which are not capable of self propulsion or are less than 3 tonnes net mass whilst used on inland waterways);

3. liability compulsory insurable under any legislation governing the use of motor vehicles or trailers;

4. the value of or the diminution in value of or the cost of repair, reinstatement or replacement of:
   a) property belonging to or leased or hired to the Insured or movable property which is the subject of bailment for reward to the Insured other than:
      (i) property, premises structures (including contents) plant and equipment or other property temporarily occupied or used by or in the possession or control of the Insured for the purpose of the Contract;
      (ii) property for which liability is assumed by the Insured under any contract entered into with or for which indemnity is given to any central or local or municipal or provincial or quasi government, authority or entity or statutory body; and
      (iii) any vehicle or trailer (including contents and accessories of any vehicle or trailer) for which the Insured provides or allows parking.
(b) property for which the Insured is indemnified under Sub-Section XV A – Works Section of this Policy.

(c) property where loss or damage was caused by the intentional removal of lateral support to such property.

This Exception shall not apply to liability rising out of:

(i) the negligence of the Contractor, or

(ii) shock or vibration.

The cover granted by this Sub-Clause shall not apply where indemnity is provided by a more specific insurance, and

(d) property on which the Insured is working or has worked to the extent that the loss or damage to such property results directly from such work. This Exception shall be limited to that work which is defective in workmanship material or design by the Insured and which is the cause of loss or damage to the property;

5. liability in respect of liquidated damages or penalties for delay or detention or in connection with guarantees of performance or efficiency imposed by agreement and which would not have attached in the absence of such agreement;

6. the cost of making good faulty workmanship materials or design in any part of the Property Insured.

7. liability attaching to the Insured under the terms of any contract or agreement to the extent that such liability would not have attached to the Insured in the absence of such contract or agreement;

This Exception shall not apply to contracts or agreements:

(a) entered into for the purpose of the Contract;

(b) with public supply authorities;

(c) relating to the ownership or occupancy of premises where the Insured are respectively the owners or tenants, or

8. liability in respect of:

(a) death, injury, illness loss or damage caused by or in connection with or arising from seepage, pollution or contamination;

(b) the cost of removing nullifying or cleaning up of seeping, polluting or contaminating substances, unless the seepage, pollution or contamination is caused by a sudden unintended and unexpected event.
Memorandum

For the purpose of this Section, General Exception 1 (A)(ii) – Section D – is amended to read:

Liability for any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war rebellion, mutiny, revolution, insurrection, military or usurped power.

Clauses and Extensions

1. **Additional Insured Personae**

   The Insurers shall also indemnify in like manner to the Insured as if a separate Policy has been issued in respect of each of such:

   (a) any person (including their contractors, sub-contractors and suppliers) with whom the Insured entered into an agreement for the purpose of the Contract but only to the extent that it is a requirement of such agreement;

   (b) any partner, director or employee of the Insured whilst acting in any capacity as such;

   (c) the personal representatives of the Insured and of any person treated as the Insured, provided that all persons so treated as the Insured shall as though they were the Insured observe, fulfil and be subject to the terms insofar as they can reasonably apply to such persons.

2. **Cross Liabilities**

   Where the Insured comprises more than one person this insurance shall apply to each such Insured person separately and not jointly and as if a separate policy had been issued in respect of each of such Insured person.

   Where the corporate structure of any Insured Person is composed of divisions or separate operating units (by whatever name known) within a single legal entity, the Insurer shall for the purposes of determining the indemnity granted by the insurance treat each division or separate operating unit as a legal entity in its own right.

3. **Statutory Legal Defence Costs**

   It is hereby agreed that notwithstanding the Exceptions or anything else herein contained to the contrary the Insurer shall indemnify the Insured against costs and expenses incurred with the consent of the Insurer in the defence of any action brought against the Insured arising from an alleged contravention of any statute or duty at common law provided that:

   (a) in the case of an appeal the Insurer will not indemnify the Insured unless a senior council approved by the Insurer advises that such appeal should in his opinion succeed;

   (b) the Insurer will not indemnify the Insured in respect of any fine or penalty imposed by any magistrate or judge nor any loss consequent thereto; and

   (c) the liability of the Insurer in respect of any one event shall not exceed the amount stated in the Schedule.
4. **Removal of Support**

   The Insurer shall indemnify the Insured against:

   (a) all amounts which the Insured is or may become legally liable to pay as compensation or damages or costs and expenses arising out of or in connection with:

   (i) death of or injury to or illness or disease of any person;

   (ii) loss or damage to property; and

   (iii) interference with the right of access to property or any easement, right of air, light, water or way or the enjoyment or use thereof by obstruction, trespass, loss of amenities, nuisance or any like cause, arising out of or in connection with shock or vibration or the removal or weakening of or interference with support to property in the vicinity of the Contract Site and arising out of or in connection with the Insured Contract performed within the Territorial Limits and occurring during the Period of Insurance; and

   (b) all costs and expenses incurred with the consent of the Insurer in connection with the defense or settlement or investigation of any claim under this insurance,

   provided the liability of the Insurer shall not exceed the amount as stated in the Schedule.
Sub-Section A : Own Damage

1. Cover

   a) The Insured Vessel is covered subject to the following :-

      (i) **In Commission**

          While in commission at sea or on inland waters or in port, docks, on slipways, gridirons, Pontoons or on the hard or mud, including hauling out and launching, with leave to sail or navigate with or without pilots, to go on trial trips and to assist and to tow vessels or craft in distress, or as is customary, but the Insured Vessel shall not be towed, except as is customary or when in need of assistance or undertake towage or salvage services under a contract previously arranged by Owners, Masters, Managers or Charterers;

      (ii) **Laid up Out of Commission**

          While laid up out of commission including hauling out and launching, striking over, dismantling, fitting out, overhauling or while under survey (also to include docking and undocking and periods laid up afloat incidental to laying up or fitting out and with leave to shift in tow or otherwise to or from her lay up berth but not outside the limits of the port or place in which the Insured Vessel is laid up) but excluding, unless written notice be given to and an additional premium agreed by the Insurer, any period for which the Insured Vessel is used as a houseboat or is under major repair or undergoing alteration.

   b) Notwithstanding paragraph (a) above, the gear and equipment, including outboard motors, are covered subject to the provisions of this Section while in place of storage ashore.

2. Continuation

   Should the Insured Vessel at the expiration of the policy be at sea or in distress or at a port or place of refuge or of call, she shall, provided prompt written notice be given to the Insurer prior to such expansion, be held covered at a premium to be arranged, failing such a reasonable premium, until anchored or moored at her next port of call in good safety.

3. Designed Speed

   Where the maximum designed speed of the Insured Vessel, or the parent Insured Vessel in the case of a vessel with boat(s), exceeds 17 knots, the conditions of the Speedboat Clause shall apply.

4. Co-Insurances

   In the event of any other insurance, by whomsoever effected, covering the same loss as this policy, the Insurer shall only be liable to contribute its rateable proportion of the claim.

5. Seaworthiness

   The Insured warrants that it shall at all times maintain and keep the Insured Vessel in a seaworthy condition.

6. Insured Perils
The Insurer will indemnify the Insured, subject to the Exclusions set out hereunder, in respect of:-

(a) loss of or damage to the Insured Vessel and Property Insured caused by:-

   (i) external accidental means, including perils of the seas, rivers, lakes or other navigable
       waters, standing, sinking or collision, or
   
   (ii) fire, self-ignition, earthquake, volcanic eruption or lightning;

(b) loss of or damage to the Insured Vessel and Property Insured caused by accidents, in-loading,
    discharging or handling stores, gear, equipment, machinery or fuel, or by bursting of boilers,
    breakage of shafts, explosions, contact with aircraft, malicious acts or latent defects in the hull or
    machinery, (excluding the cost and expense of replacing or repairing the defective part):

(c) theft of the entire Insured Vessel or her boat(s), or outboard motor(s) provided it is securely locked
    to the Insured Vessel or her boat(s) by an anti-theft device, in addition to its normal method of
    attachment, or, following upon forcible entry into the Insured Vessel or place of storage, theft of
    machinery including outboard motor(s), gear, equipment or Property Insured;

(d) loss of or damage to the Insured Vessel and Property Insured caused by the negligence of any
    person whatsoever, but excluding the cost of making good any defect resulting from either
    negligence or breach of contract in respect of any repair or alteration work carried out for the
    account of the Insured and/or the Owners or in respect of the maintenance of the Insured Vessel

(e) loss of or damage to outboard motor(s) caused by dropping off or falling overboard provided that it
    is attached to the Vessel or its boat by bolts, galvanized steel chain or terylene rope in addition to
    its normal method of attachment, and

(f) the expense of sighting the bottom after stranding, if reasonably incurred especially for that
    purpose, even if no damage be found provided such loss or damage has not resulted from want of
    due diligence by the Insured Owners, Managers.

7. Salvage Charges

Subject to any express provision in this insurance, salvage charges incurred in preventing a loss by peril
insured against may be recovered as loss by those perils.

8. Unrepaired Damage

In no case shall the Insurer be liable for unrepaired damage in addition to a subsequent total loss
sustained during the period covered by this policy or any Exclusion thereof under the Constitution Clause.

9. Loss of Exclusion

No claim shall be allowed in respect of or arising from loss of use.

10. Limit of Indemnity

The sum which the Insured can recover under this Section is limited to:-

(a) in the case of an actual or constructive total loss the value of the Property Insured; or

(b) in the case of a partial loss, the reasonable cost of repairing, reinstating or replacing the damaged
    or lost part of the Property Insured and necessary expenses connected therewith,
provided further that in no case shall the Insurer be liable to pay under this Section more than the sum appearing in the Schedule hereto as the Sum Insured on the Insured Vessel.

11. **Average Clause (not applicable to Inflatable and Semi-Rigid Inflatables)**

If on the occurrence of an Insured Event giving rise to partial loss and/or damage to the subject matter insured the:

(a) new replacement Value, for vessels not older than 3 years, or
(b) current market value, for vessels older than 3 years,

of the Insured Vessel is greater than the Sum Insured thereon the Insured shall be considered his own Insurer for the difference and shall bear a rateable proportion of the loss accordingly.

Fully inflatable and semi-rigid inflatable craft will be subject to market value only irrespective of the age of the craft.

**Sub-Section B : Liabilities to Third Parties**

The Insurer agrees to indemnify the Insured for any sum or sums which the Insured shall become legally liable to pay and shall pay, by reason of interest in the Insured Vessel and arising out of accidents occurring during the currency of this insurance, in respect of:

(a) loss of or damage to any other vessel or property whatsoever;
(b) loss of life, personal injury or illness, including payments made for the salvage, caused on or near the vessel or any other vessel, or:
(c) any attempted or actual raising, removal or destruction of the wreck of the Insured Vessel or the cargo thereof or any neglect or failure to raise, remove or destroy the same.

1. **Legal Costs**

The Insurer will also pay, provided their prior written consent has been obtained:

(a) the legal costs incurred by the Insured which the Insured may be compelled to pay in contesting liability or taking proceedings to limit liability; and
(b) the costs for representation at any coroner's inquest or fatal accident enquiry.

2. **Sistership**

Should the Insured Vessel come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management, the Insured shall have the same rights under this insurance as they would have were the other vessel entirely the property of owners not interested in the vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Insurer or the Insured.

3. **Navigation by Other Persons**

The provision of this Sub-Section shall extend to any person navigating or in charge of the Insured Vessel with the permission of the Insured named on this policy (other than a person operating, or employed by
the operator of a shipyard, repair yard, slipway, yacht club, sales agency or similar organization) and who
whilst so navigating or in charge of the Insured Vessel shall in consequence of any occurrence covered
by Sub-Section B become liable to pay and shall pay any sum or sums to any person or persons, other
than to the Insured named in this Policy, but indemnity under this Clause shall insure to the benefit of the
Insured, and only to a person navigating or in charge of the Insured Vessel as described above at the
written request of and through the agency of the Insured. Nothing in this Extension shall increase the
Insurer’s liability beyond the Limit of Indemnity as stated in the Specification and this Extension shall be
subject otherwise to all other terms, conditions and warranties of this insurance as if such other person
were the Insured.

Conditions – Applicable to Sub-Sections A and B

1. Control by Competent Person

1. It is a condition of this insurance that when the Insured Vessel concerned is under way the Insured
named in the Specification or other competent person(s) shall be on the board and in control of the
Insured Vessel.

2. Unattended Craft, Theft

No claim shall be allowed in respect of:

(a) loss or damage to the Insured Vessel or liability to any Third Party or any salvage services;

   (i) caused by or arising from the Insured Vessel being stranded, sunk, swamped, immersed or
       breaking adrift while left moored or anchored unattended off an exposed beach or shore; or

   (ii) participation in racing or speed tests, or any trials in connection therewith;

(b) rudder, propeller, strut, shaft, motor, electrical machinery or batteries, and their connections, unless
    the loss or damage is caused by the Insured Vessel being immersed as a result of heavy weather
    or is caused by the Insured Vessel being stranded, sunk, burnt, on fire, or in collision with any other
    vessel or submerged object, pier or jetty or while being removed from or placed in the Insured
    Vessel or by theft of the entire Insured Vessel, or by theft following upon forcible entry into the
    Insured Vessel or place of storage, or by theft of outboard motor provided it is securely locked to
    the Insured Vessel or her boat(s) by an anti-theft device in addition to its normal method of
    attachment, or by fire in the place of storage ashore, or by malicious acts, or as a result of the
    outboard motor(s) dropping off or falling overboard; or

(c) any liability to or incurred by any person engaged in water skiing, aquaplaning or similar sport,
    while being towed by the Insured Vessel or preparing to be towed or after being towed until safety
    on board the Insured Vessel.

3. Fire Fighting Warranty

If the Insured Vessel is fitted with inboard machinery no liability shall attach to this policy in respect of any
claim caused by or arising through fire or explosion unless the Insured Vessel is equipped in the engine
room or engine space, tank space and galley with a fire extinguishing system automatically operated or
having controls at the steering position and properly installed and maintained in efficient working order.

4. Transit Clause

This policy is extended to cover the Insured Vessel and Insured Property whilst in transit by road, rail, car-
ferry or air, including loading and unloading from the conveyance, within the limits stated in the
Specification, but no claim shall be allowed in respect of:-
(a) scratching, bruising and/or denting arising during transit covered by this Clause and the cost of consequent repairing, repainting or re-vanishing; and

(b) liability to Third Parties arising from any accident while the vessel is being towed by or is attached to a motor vehicle or has broken away or become accidentally detached from a motor vehicle.

5. **Speed Boat Clause**

(a) It is a condition of this insurance that when the Insured Vessel concerned is under way a competent person(s) shall be on board and in control of the Insured Vessel

(b) No claim shall be allowed in respect of:-

(i) loss or damage to the Insured Vessel or liability to any Third Party or any salvage services;

(1) caused by or arising from the Insured Vessel being stranded, sunk, swamped, immersed or breaking adrift while left moored or anchored unattached off an exposed beach or shore; or

(2) arising while the Insured Vessel is participating in racing or speed tests, or any trials in connection therewith;

(ii) rudder, propeller, strut, shaft, motor, electrical machinery or batteries and their connections, unless the loss or damage is caused by the Insured Vessel being immersed as a result of heavy weather or is caused by the Insured Vessel being stranded, sunk, burnt, on fire, or in collision with any other vessel or submerged object, pier or jetty or while being removed from or placed in the Insured Vessel or by theft of the entire Insured Vessel or place of storage, or by theft following upon forcible entry into the Insured Vessel or place of storage, or by theft of outboard motor provided it is securely locked to the Insured Vessel or her boat(s) by an anti-theft device in addition to its normal method of attachment, or by fire in the place of storage ashore, or by malicious acts, as a result of the outboard motor(s) dropping off or falling overboard; or

(iii) any liability to or incurred by any person engaged in water skiing, aquaplaning or similar sport, while being towed by the Insured Vessel or preparing to be towed or after being towed until safety on board the Insured Vessel.
Section K : Marine Animals Cover

**Dolphin Cover**

Limit Any One Dolphin - R1 000 000.

Number of Dolphins to be Insured - 11.

Use of Dolphins - Daily shows and interactive experiences being the property of the Insured or for which he is responsible whilst at uShaka Marine World.

First Amount Payable - R100 000 each and every loss.

**Other Marine Animals**

<table>
<thead>
<tr>
<th>Description</th>
<th>Limit any one tank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Reef Pedators</td>
<td>R 200 000</td>
</tr>
<tr>
<td>2 Turtle Laggons</td>
<td>R 100 000</td>
</tr>
<tr>
<td>3 Open Ocean</td>
<td>R 400 000</td>
</tr>
<tr>
<td>4 Rocky Reef</td>
<td>R 200 000</td>
</tr>
<tr>
<td>5 Snorkel Lagoon</td>
<td>R 400 000</td>
</tr>
<tr>
<td>6 Ship Tank</td>
<td>R 100 000</td>
</tr>
<tr>
<td>7 Fierce Sharks</td>
<td>R 200 000</td>
</tr>
</tbody>
</table>

For tank 1 to 28 limit of indemnity is R 200 000

We, the Insurer, hereby agree, to the extent and in the manner hereinafter provided, that in the event of the death during the period of this Insurance of any animal specified in the Schedule (or, for Insurances with an annual period only, in the event of the death of any such animal occurring within thirty days after the enquiry of this Insurance as a result of any accident occurring, or illness or disease manifesting itself, during the currency hereof, and subject to written notice of such accident, illness or disease having been given to the Insurer before the expiry of this Insurance), we will indemnify the Insured in respect of the actual value of such animal at the time of the accident (or the manifestation of the disease or illness) causing its death, up to but not exceeding the limit of the Insurer's liability specified in the Schedule in respect of such animal.

**Endorsements**

1. Tanks will be insured at 10% excess for loss of fish provided that the loss makes up 50% of the value of the tank.

2. For tanks 1 to 28 excess of 10% for loss of the 50% of the total number of fish or half the tanks losing 100%.
Exclusions

1. This insurance does not cover intentional slaughter, whether by or under the order of any government or public or local authority or any person or body having jurisdiction in the matter or otherwise, except that Underwriters will not invoke this particular exclusion as a defence:

   (a) Where the Underwriters shall have expressly agreed to the destruction of the animal, or

   (b) Where an insured animal suffers an injury or is afflicted with an excessively painful disease and a qualified Veterinary Surgeon appointed by the Insurer shall first have given a certificate that the suffering of that animal is incurable and so excessive that immediate destruction is imperative for humane reasons, or

   (c) Where an insured animal suffers an injury and a qualified Veterinary Surgeon appointed by the Insurer shall first have given a certificate that the suffering of that animal is incurable and so excessive that immediate destruction is imperative for humane reasons without waiting for the appointment of a Veterinary Surgeon by the Underwriters;

   Provided that in all such cases (a), (b) or (c) the Insurer shall be given the opportunity of having a post-mortem and autopsy examination carried out by their Veterinary Surgeon should they so desire.

2. This insurance does not cover death directly or indirectly caused by, happening through or in consequence of:

   (a) Any surgical operation unless conducted by a qualified Veterinary Surgeon and certified by him to have been necessitated solely by accident, disease or illness and to have been carried out in an attempt to preserve the animal's life.

   (b) The administration of any medication unless by a qualified Veterinary Surgeon (or experienced personnel directed by him) and certified by the Veterinary Surgeon to have been of a prophylactic nature or necessitated by accident, disease or illness, as used herein "medication" includes any drug, hormone, vitamin, protein or other substance other than unadulterated food or drink.

   (c) (i) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

   (ii) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

3. The Insurance does not cover death directly or indirectly caused by, happening through or in consequence of:

   (a) Confiscation or nationalization or requisition by or under the order, of any government or public or local authority or any person or body having, or claiming, jurisdiction in the matter, or

   (b) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, riots, strikes, civil commotions.

   In any claim, and in any action, suit or proceeding to enforce a claim, for death under this Insurance the burden of proving that the death does not fall within Exclusion 3.(a) or 3.(b) shall be upon the Insured.
Conditions

1. It is a condition precedent to any liability of the Insured hereunder that at the commencement of this Insurance each animal hereby insured is in sound health and free from any illness, disease, lameness, injury or physical disability whatsoever.

2. It is a condition precedent to any liability of the Underwriters hereunder that at the commencement of this Insurance the Insured is the sole owner of each animal hereby insured. This Insurance shall cease to cover an animal immediately the Insured sells it or parts with any interest in it whatsoever, whether temporarily or permanently.

3. In the event of an animal being operated upon for castration or spaying this Insurance shall cease to cover such animal at midnight, local time, immediately prior to the day of such operation.

4. In the event of any animal hereby insured being entered or raced in any claiming, selling or combination race at any time during the period of this Insurance where the claiming, selling or combination price shall be less than the Insurers' limit of liability in respect of such animal specified in the Schedule herein, the Insurers' limit of liability in respect of such animal shall thereby automatically be reduced to a sum equal only to the lowest amount for which such animal could have been claimed or sold in any such race.

The Insured, upon demand within sixty days thereafter, shall be entitled to a return of the Unearned premium on the amount by which this Insurance shall have been thus reduced, computed on a pro rata basis from the date when such animal was no entered or raced.

5. It is a condition precedent to any liability of the Underwriters hereunder that:

   (a) The animal shall have remained within the geographical limits stated in the Schedule during the whole period of this Insurance, and

   (b) The animal shall not have been used at any time during the period of this Insurance for a purpose which is not specified in the Schedule in respect of such animal.

And any breach of either of these conditions shall render the Insured claim null and void and release Underwriters from all liability in connection therewith.

6. It is a condition precedent to any liability of the Insurers hereunder that:

   (a) The Insured shall, at all times, provide proper care and attention for each animal hereby insured, and

   (b) (i) In addition, in the event of any illness, disease, lameness, injury, accident or physical disability whatsoever of or to an insured animal, the Insured shall immediately, at his own expense, employ a qualified Veterinary Surgeon and shall, if required by the Insurers, allow removal for treatment, and

       (ii) In the event of the death of an insured animal the Insured shall immediately, at his own expense, arrange for a post-mortem and autopsy examination to be made by a qualified Veterinary Surgeon, and

In either event (b) (i) or (b) (ii), the Insured shall immediately give notice, by telephone or telegram to the person or persons specified for the purpose in the Schedule, who will instruct a veterinary Surgeon on the Insurers' behalf, if deemed necessary.

And any failure by the Insured to comply with the above (a) or (b), shall render the Insured's claim null and void and release the Insurer's from all liability in connection therewith, whether the
Assured has personal knowledge of such events or such knowledge is confined to the representatives of the Insured or other persons who have care, custody or control of the animal(s).

7. If, at the time of the death of an animal, the Insured has any other insurance in force in respect of the animal, whether or not such insurance is valid or collectible, the Insurer shall be released from all liability in connection with such animal unless the agreement of the Insurer to such other Insurance is endorsed on this Insurance.

If the agreement of the Insurer to such other insurance is endorsed on this insurance, the Insurer shall only be liable under this Insurance for the excess beyond any amount insured by such other insurance in respect of such animal, whether or not such other insurance is valid or collectible.

8. If the Insurer becomes liable for any payment under this Insurance, in respect of an animal, the Insurer shall be subrogated, to the extent of such payment, to all the rights and remedies of the Insured against any party in respect of such animal and shall be entitled, at their own expense, to sue in the name of the Insured. The Insured shall give to the Insurer all such assistance in his power as the Insurer may require to secure their rights and remedies and, at Insurers' request, shall execute all documents necessary to enable the Insurer to pursue their rights and remedies.

9. This Insurance may be cancelled on the short rate basis set out herein at any time at the written request of the Insured. This Insurance may also be cancelled, with or without the return or tender of the unearned premium, by or on behalf of the Insurer by delivering to the Insured or by sending to the Insured by mail, registered or unregistered, at the Insured's address, as shown herein, not less than five days written notice stating when the cancellation shall be effective and in such case, the Insurer shall return the paid premium less the earned portion thereof on demand.

If the period of limitation relating to the giving of such notice is prohibited or made void by any law controlling the construction hereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

If a loss is paid on any animal, no return of premium shall be allowed in respect of such animal.

10. If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Insurance shall become void and all claim hereunder shall be forfeited.
For the purpose of this policy unless the context otherwise requires:-

1. **“Council”** means the eThekwini Municipality;

2. **“Insurer”** means the Self Insurance Reserve fund established by the Council in order to implement its scheme of self insurance as adopted by it on 4 June 1962 and as subsequently amended, under the powers conferred on it by Section 147 of Ordinance 25 of 1974 (as amended) read with Section 77 of Ordinance 18 of 1976 (as amended), by providing cover in respect of the Council’s several insurable interests and risks and in respect of certain other parties for whom the Council may legally provide insurance cover, the administration of which Insurer is controlled by the City Treasurer in terms of the authority conferred by him/her by the aforesaid resolution as amended from time to time;

3. **“Other Insured”** means any party other than the Council who is insured under any Section of this policy;

4. **“Premium”** means the amount as determined by the City Treasurer which is payable to the Insurer by any Service Unit of the Council or by or on behalf of any Other Insured, for insurance cover under any Section of this policy in respect of each year of insurance;

5. **“City Treasurer”** means the Deputy City Manager : Treasury, or his/her successor in title; and

6. **“Franchise”** means the amount of an insured loss for which the Insured is not covered unless the loss exceeds the amount of the Franchise, in which event the full amount of the loss becomes recoverable from the Insurer.

7. **“Excess”** means the first amount payable in the event of each and every claim.
General Exceptions
(Applicable to all Sections)

1. War, Riot, 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 or lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above;
      
      (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
      
      (iii) (a) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
      
      (b) insurrection, rebellion or revolution;
      
      (iv) any act (whether on behalf of any organisation, body or person, or group of persons) calculated or directed to overthrow or influence any State or Government, or any provincial, local or tribal authority with force, or by means of fear, terrorism or violence;
      
      (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government, or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public, or any section thereof.
      
      (vi) any attempt to perform any act referred to in clause (iv) and (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 (i), (ii), (iii), (iv), (v) or (vi) above;
      
      If the Insurer alleges by reason of Clause A(i), (ii), (iii), (iv), (v), (vi) or (vii) of this exception loss or damage is not covered by this insurance, 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 similar act applicable to any territories to which this policy applies.
   
   C. Notwithstanding any provision to the contrary within this policy including any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
For the purpose of this general Exception 1C an act of terrorism means an act, including but not limited to the use of violence or force and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political, religious, ideological or similar purposes including the intention to influence any government and/or put the public of any section thereof, in fear.

This exception also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Insurer alleges that, by reason of Clause 1C of this exception any loss, damage, cost or expense is not covered by this policy, the burden of proving to the contrary shall rest on the Insured.

In the event any portion of this clause is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

D. Notwithstanding anything to the contrary contained herein, this policy does not cover loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

2. **Nuclear** :

This insurance does not cover:

(a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

(b) any legal liability or whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

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

(c) The indemnity provided by this insurance shall not apply to nor include any loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

3. **Computer Losses**

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

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover:
(a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;

(b) any legal liability of whatsoever nature;

(c) any consequential loss;

directly or indirectly caused by or committed 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 recognize, manipulate, interpret, process, store, receive or to respond to any data or information, or to carry out any command or instruction, in regard to or in connection with any such date, or

(ii) to capture, save, retain or to process any information or code as a result of the operation of any command which has been programmed into any computer, being a command which causes the loss of data or the inability to capture, save, retain or correctly to process such data in regard to or in connection with any such date, or

(iii) to capture, save, retain or to process any information or code due to programme errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programmes, or

(iv) to capture, save, retain or to process any data as a result of the action of any computer virus, or other corrupting, harmful or otherwise unauthorized code or instruction including any trojan horse, time or logic bomb or worm or any other destructive or disruptive code, media or programme or interference.

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

**Special Extension to General Exception 3**

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

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

1. storm, wind, water, hail or snow excluding damage to property

   (a) arising from its undergoing any process necessarily involving the use or application of water;

   (b) caused by tidal wave originating from earthquake or volcanic eruption;

   (c) in the underground workings of any mine;
(d) in the open (other than buildings structures and plant designed to exist or operate in the open); 

(e) in any structure not completely roofed; 

(f) being retaining walls 

Unless so described and specifically insured as a separate item 

2. aircraft and other aerial devices or articles dropped therefrom; 

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

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

(B) General Exception 3 also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in Special Extension (A) above. 

(C) This special extension will not insure any loss, destruction, damage or consequential loss if it would not have been insured in the absence of this Computer Losses General Exception and this Special Extension. 

(D) This Special extension shall not apply to any Public Liability indemnity. 

4. Electronic Data Endorsement B 

1. Electronic Data Exclusion 

Notwithstanding any provision to the contrary within the policy or any endorsement thereto, it is understood and agreed as follows: 

(a) This policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss or use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any sequence to the loss. 

ELECTRONIC DATA means 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, 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’. 

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(b) However, in the event that a peril listed below results from any of the matters described in Paragraph (a) above, this policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the policy period to property insured by this policy directly caused by such listed peril.

Listed Perils

Fire
Explosion

2. **Electronic data Processing Media Valuation**

Notwithstanding any provision to the contrary within the policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this policy suffer physical loss or damage insured by this policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However, this policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Insured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

NMA2915
General Conditions
(Applicable to all Sections)

1. Cancellation:

This policy or any section may be cancelled at any time by the Insurer giving 45 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 Insurer 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 Insurer, 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.

2. Claims:

(a) On the happening of any event which may result in a claim under this Policy the Insured shall at his own expense:

(i) give thereof to the Insurer as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured;

(ii) as soon as practicable after the event inform the police of any claim involving theft, crime or (if required by the Insurer) loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property;

(iii) as soon as practicable after the event submit to the Insurer full details in writing of any claim;

(iv) give the Insurer such proofs, information and sworn declarations as the Insurer may require and forward to the Insurer 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.

(b) No claim (other than a claim under the Personal Accident or Business Interruption Section) shall be payable after the expiry of 36 months or such further time as the Insurer 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) No claim shall be payable unless the Insured claims payment by serving legal process on the Insurer within 12 months of the rejection of the claim in writing.

(d) 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 Insurer, provided that the Insured’s reasonable expenses in rendering such assistance shall be reimbursed by the Insurer. 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 Insurer all amounts paid in respect of the claim.
3. **Subrogation:**

In the event of a claim under this Policy the Insurer agrees to waive any rights, remedy or relief to which they might become entitled by subrogation against any subsidiary or controlled Insurer of the Insured, or any customer or director or employee of the Insured.

4. **Claims Preparation Costs:**

The liability of the Insurer under all Sections of this Policy includes the reasonable costs incurred of salaries and wages payable to the Insured's own employees and/or cost of materials used and/or fees payable by the Insured to their usual Auditors in producing and certifying any particulars or details as may be required by the Insurer. Provided that the liability of the Insurer for such costs in respect of any one claim shall not exceed the limit of indemnity stated in the schedule.

5. **S.A. Jurisdiction:**

All claims to be settled in the Republic of South Africa and in Rand currency. Any legal matters concerning claims between the Insured and the Insurer to be settled by reference to South African Law and Courts.

6. **Payments on Account:**

Payments on account may be made to the Insured if desired, at the reasonable discretion of the Insurer.

7. **General:**

This policy shall be voidable in respect of any item or section in priority to the policy as a whole if:

(a) **non-disclosure**

there is misrepresentation, misdescription or non-disclosure of any material particular

(b) **insurable interest**

the Insured's interest ceases except by will or operation of law unless such alteration has been accepted by the Insurer

(c) **increase in risk**

the risk of accident loss damage or liability is increased other than in circumstances for which provision is made in a section or for which the Insurer has given its prior consent

8. **Prevention of Loss:**

The Insured shall take all reasonable precautions for the maintenance and safety of insured property and for the prevention of accidents or losses.
9. **Insurer'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 Insurer and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the Insurer 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 licence of the Insured to the Insurer to do so. The Insured shall not be entitled to abandon any property to the Insurer whether taken possession of by the Insurer 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 Insurer.

(b) The Insured shall, at the expense of the Insurer, do and permit to be done all such things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights to which the Insurer 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 Insurer 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 Insurer shall thereafter not be under further liability in respect of such event.

10. **Other Insurances :**

    If, at the time of any event giving rise to a claim under this policy, an insurance exists with any other Insurer covering the Insured against the defined events, the Insurer shall be liable to make good only a rateable proportion of the amount payable by or to the Insured in respect of such event. 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.

11. **Fraud :**

    If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on their behalf or with their knowledge or consent to obtain any benefit under this policy or if any event is occasioned by the wilful act or with the connivance of the Insured all benefits under this policy in respect of such claim shall be forfeited.

12. **Breach of Conditions**

    The conditions of this 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.
13. **Holding Covered**

If the Insurer is holding covered on a risk they will not reject a claim on the basis that the premium has not been agreed. If the premium has not been agreed at the time a claim arises it will be based on the reasonable amount an Insurer would have charged for the risk concerned at the inception date of the policy and will not be out of line with market premium levels at that time.

14. **No Rights to other Persons**

Unless otherwise provided, nothing in this insurance 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 full discharge to the Insurer.

15. **Protection Fees**

This insurance covers the cost of all reasonable precautions taken by the Insured or others on their behalf to minimise the effects of any loss or damage by a defined event subject to the limit of indemnity/sum insured for the defined event.

16. **New Acquisitions**

Subject otherwise to the terms and conditions of the Policy, this insurance automatically extends to include the interests and property of acquisitions, subject to the Total Assets and Gross Profit values of each acquisition not exceeding R150 000 000 or falling outside of the definition of “The Business”.

In the event of such values exceeding the amount set forth above, details of such acquisition are to be provided to the Insurer as soon as reasonably practicable after such inclusion for the determination of reasonable additional premium, to be agreed with the Insured, payable for the balance of the Period of Insurance and the Insured hereby undertakes to pay such premium to the Insurer on demand.

17. **Waiver of Rights**

In the event of any rights of recovery having been inadvertently waived by the Insured or by any employee without authority so to do under a contract, agreement, lease or other undertaking entered into in the ordinary course of the business prior to the occurrence of any damage, this insurance shall not be prejudiced thereby.

18. **Difference in Conditions/Limits**

Where property is insured either for 100% of value or any lesser percentage, with another insurer and the scope of cover is less than that provided in terms of this Policy, this insurance will, subject to its terms, limitations, Exceptions and Conditions, indemnify the Insured in respect of any shortfall in either the scope of cover or the amount of indemnity subject to the Deductible applicable to that entity but in any event the Deductible shall not be less than the minimum Difference in Conditions Deductible stated in the Specification or the equivalent in the local currency.

Where this policy responds in excess of indemnity provided in terms of such locally purchased property damage or business interruption insurance:-

a) the indemnity payable hereunder shall be only up to but not exceeding such further amount as would provide a the maximum indemnity in terms of this Policy;
b) any decision of the underlying insurer to accept a claim “ex gratia” or “without prejudice” shall not be
binding on the Insurers;

c) no action or decision of the underlying insurer which prejudices the Insurers in the conduct or
settlement of any claim under this Policy shall be binding on Insurers.

19. 72 Hour Time Clause:

At the option of the Insured, in the event of loss or damage, which is insured under a section of this
Insurance, which:

1. occurs during any continuous period of up to 72 hours and arises as a result of storm [including
   water, wind, hail or snow] or riot and strike as defined, or earthquake

   OR

2. arises as a result of one continuous uninterrupted occurrence

such loss or damage will be considered to have been caused by one occurrence for the purpose only of
the application of the Deductible and Aggregate Deductible [as defined] in the schedule

The Insured shall have the option to select the time from which any such period shall commence but no
two selected periods shall overlap.