

**sectional title and  
property insurance  
policy wording**

**Hollard.**

The Hollard Insurance Co. Ltd (Reg No 1952/003004/06) is an authorised Financial Services Provider

# Hollard Sectional Title And Property Insurance Policy Wording

---

**Section 1** ..... General Exceptions Conditions and Provisions

**Section 2** ..... Buildings

**Section 3** ..... Geyser All Risks

**Section 4** ..... Business Interruption

**Section 5** ..... Public Liability (Losses Occuring Basis)

**Section 6** ..... Business All Risks

**Section 7** ..... Accidental Damage

**Section 8** ..... Office Contents

**Section 9** ..... Money

**Section 10** ..... Commercial Crime

**Section 11** ..... Employers Liability

**Section 12** ..... Machinery Breakdown

**Section 13** ..... Applied Electronics

**Section 14** ..... General Motor

**Section 15** ..... Greens And Irrigation Systems

**Section 16** ..... Levy Protection Cover

Underwritten by Absa Insurance Risk Management Services Ltd, Trading as AIRMS

Reference is made in the Schedule only to those sections shown in this index to be included and policy wordings are attached in respect of those sections only.

At first issue of this Policy (or any section thereof), please check to ensure that all pages of all included sections are contained in this document.

At renewal or revision, policy wordings will not be reissued. The Schedule will be updated and reissued as necessary together with any section Schedule which may have changes.

# General Insurance Code of Conduct

---

Hollard proudly supports the South African Insurance Association (SAIA) Code of Conduct.

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The objectives of the Code are:

- a) to promote better, more informed relations between insurers and their customers;
- b) to improve consumer confidence in the general insurance industry;
- c) to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- d) to commit insurers and the professionals they rely upon to higher standards of customer service. Information on the Code is available from Your nearest Hollard office or from SAIA.

## Hollard's service commitment

---

Hollard have adopted and support the Code and are committed to complying with it.

Please contact us if You would like more information about the Code.

### HOW TO RESOLVE A COMPLAINT OR DISPUTE

#### 1. TALK TO HOLLARD FIRST

If You have a complaint, the first thing You or Your insurance broker should do is speak to one of Hollard's staff. If your complaint relates specifically to a claim, speak with Your insurance intermediary or insurance broker to discuss the claim with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for You, You or Your insurance intermediary or insurance broker may speak to a manager. The manager will usually provide You with a response to Your complaint within a reasonable period of time. If the time frame is impractical for any reason such as the need for more information or further investigation, they will discuss with You alternative time frames. If You are not satisfied with Our response or Hollard cannot agree with You on alternative time frames, You can go to step 2.

#### 2. SEEK A REVIEW

If the matter is still not resolved the manager will refer You or Your insurance intermediary or insurance broker to the relevant dispute handling department or area who will conduct a review of Your dispute and will usually provide You with a response to Your dispute within a reasonable period of time. If the time frame is impractical, Hollard will discuss alternative time frames with You.

If You are still not satisfied with Our response to Your dispute or Hollard cannot agree on alternative time frames, You can go to step 3.

#### 3. SEEK AN INDEPENDENT REVIEW

You are entitled to seek an external review of Our decision. Hollard will provide You with information about options available to You, including, if appropriate, referring You to the external dispute resolution scheme administered by the Ombudsman for Short-term Insurance (OSTI).

The OSTI is an independent external dispute resolution office and its service is free to Hollard customers.

**The OSTI will tell You if they can help You, as their services are not available to all customers.**

You can contact the OSTI at:  
The Ombudsman for Short-term Insurance  
PO Box 32334  
Braamfontein  
2017

Phone: 011 726 8900  
Fax: 011 726 5501

Hollard agrees to accept an OSTI decision, however You have the right to take legal action if You do not accept their decision. You will not be able to have your dispute resolved by the OSTI if You are not eligible under the OSTI's Terms of Reference.

Further information about Hollard's complaint and dispute resolution procedures is available by contacting Us.

# General Exceptions Conditions and Provisions

---

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

Where more than one insurance company or insurer participates in this insurance, the expression "Hollard" will be amended to "insurers" wherever it appears in this policy. In this event the percentage share of each insurer will be as expressed in the Schedule of this policy and the liability of each such insurer individually will be limited to the percentage share set against its name.

## YOUR DUTY OF DISCLOSURE

Before You enter into a contract of insurance with an insurer, You have a duty to disclose to the insurer every matter that You know, or that the reasonable insured in Your position could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to Hollard before You renew, extend, vary or reinstate a contract of insurance.

## NON-DISCLOSURE

If you fail to comply with Your duty of disclosure, Hollard may be entitled to reduce its liability under the contract in respect of a claim or may void the contract from the date of the material change of risk or non-disclosure.

## IMPORTANT INFORMATION

### ALTERATIONS TO YOUR BUSINESS

To ensure continued cover under this Policy, it is important that You advise Hollard immediately of any changes to Your Business that may result in an increased chance of destruction, loss or damage to property insured or liability to third parties. Some examples which are not necessarily exhaustive of changes about which You should notify Hollard are:

- a) Changes in Your name or directors or partners;
- b) Changes to the address or location of Your Business;
- c) Changes in the nature of Your Business or trade or occupation;
- d) Alterations in construction of the premises;
- e) New business products not previously disclosed to Us,
- f) Change of tenants if you are leasing out property.

When Hollard receives notification of a change, Hollard may decide to either:

1. Adjust the premium or terms of the Policy, or
2. Cancel the Policy in accordance with the provisions of this Policy.

## HOLLARD'S AGREEMENT

The Policy wording, Schedule (which expression includes any Schedule substituted for the original Schedule) and endorsements (if any) are to be read together.

In return for Your paid or agreed payment of the premium in the event of Hold Covered terms to Hollard, subject to the terms, conditions, exclusions and limitations contained in, or endorsed on or otherwise expressed in this Policy or the Schedule, Hollard will insure You to the extent described in this Policy during the Period of Insurance or any further period for which Hollard may accept payment of the premium and indemnify You in the manner and to the extent described in this Policy.

You are insured for those items, including Variations and Extensions, for which a Sum Insured or Limit of Indemnity is shown in the Schedule or which are otherwise indicated in the Schedule as being operative. However:

- a) The Sum Insured under any item is as shown in the Schedule as or otherwise expressed in the Policy;
- b) Where the insurance is varied or extended by any Additional Benefit, Special Clause, Variation and Extension or endorsement, the insurance provided by such Additional Benefit, Special Clause, Variation and Extension or endorsement is subject to the terms, conditions, exclusions and limitations of the Policy in so far as they can apply.

The Policy, Schedule, Application and endorsements together form the agreement and are read together.

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

## GENERAL EXCEPTIONS

### 1. WAR, RIOT AND TERRORISM

(A) This policy does not cover loss of or damage to property related to or caused by:

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

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

(B) This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this Policy applies.

(C) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

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

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

### 2. ASBESTOS

[applicable to the Public Liability section, Employers Liability section and Sub-section D (Liability) of the Buildings section]

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

### 3. NUCLEAR

Except as regards the Commercial Crime Section, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:

- (i) ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- (ii) nuclear material, nuclear fission or fusion, nuclear radiation;

- (iii) nuclear explosives or any nuclear weapon;
- (iv) nuclear waste in whatever form;

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

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

#### **4. 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 from them;
- b) any legal liability of whatsoever nature;
- c) any consequential loss;

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

- (i) to treat any date as the correct date or true calendar date, or correctly or appropriately to recognise, manipulate, interpret, process, store, receive or to respond to any 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 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 unauthorised 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 You or not.

##### **SPECIAL EXTENSION TO GENERAL EXCEPTION 4**

A. Loss or destruction of or damage to You property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the Employer's Liability, 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;
  - c) in the underground workings of any mine;
  - d) in the open (other than buildings structures and plant designed to exist or operate in the open);
  - e) in any structure not completely roofed;
  - f) being retaining walls;
2. aircraft and other aerial devices or articles dropped from them;
3. impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.

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

B. General Exception 4 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 will not apply to any Public Liability indemnity.

#### **5. DETENTION, CONFISCATION AND FORFEITURE**

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

#### **6. THEFT BY FALSE PRETENCES AND FRAUD**

This policy does not cover loss or damage resulting directly or indirectly from or in connection with any actual or purported exchange, cash or credit sale agreement including theft by false pretences and / or fraud.

#### **7. VIOLATION OF SANCTIONS**

Hollard will not pay for claims where doing so would violate trade or economic sanctions imposed by the United Nations, the European Union, the United Kingdom or the United States of America.

#### **8. DEFECTIVE DESIGN, LACK OF MAINTENANCE AND COST OF MAINTENANCE**

This policy does not cover loss of or damage caused by or attributed to defective design, defective workmanship, defective construction or defective material or lack of maintenance of the insured property.

#### **9. WEAR AND TEAR**

This policy does not cover damage which occurs gradually over a period of time, including wear and tear.

#### **10. FLOOR COVERINGS**

This policy does not cover the replacement of floor coverings other than in the room or rooms in which damage occurred.

### **GENERAL CONDITIONS**

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

#### **1. MISREPRESENTATION, MISDESCRIPTION AND NON-DISCLOSURE**

Misrepresentation, misdescription or non-disclosure in any material particular will render voidable the particular item, section or sub-section of the policy, as the case may be, affected by such misrepresentation, misdescription or non-disclosure.

#### **2. OTHER INSURANCE**

If, at the time of any event giving rise to a claim under this policy, an insurance exists with any other insurers covering You against the defined events, Hollard will be liable to make good only a rateable proportion of the amount payable by or to You 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, will be subject to average in like manner.

Unless so described and specifically insured as a separate item

#### **3A. CANCELLATION**

This policy or any section may be cancelled at any time by Hollard giving 30 days' notice in writing (or such other period as may be mutually agreed) or by You giving immediate notice. On cancellation by You, Hollard will 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 Hollard, You will be entitled to claim a pro rata proportion of the premium for the remainder of the period of insurance from the date of cancellation, subject to general condition 4.

#### **3B. CONTINUATION OF COVER (WHERE PREMIUM IS PAYABLE BY BANK DEBIT ORDER OR BY TRANSMISSION ACCOUNT)**

The premium is due in advance and, if it is not received by Hollard by due date, this insurance will be deemed to have been cancelled at midnight on the last day of the preceding period of insurance unless You can show that failure to make payment was an error on the part of Your bank or other paying agent.

Due date will be the first day of every calendar month where premium is payable monthly, and the first day of

a) each third

b) each sixth or

c) each twelfth calendar month following the month of inception or the month of last payment where premium is payable quarterly, half-yearly or annually.

#### **PAYMENTS BY INSTALMENT**

If payment is to be made by instalments, then failure to pay any instalment for a period of 15 days or longer may result in Hollard refusing to meet any claim arising from an event occurring after the due date of the instalment. If the instalment is overdue for a period of one month or longer, Hollard may cancel Your policy without further notice.

#### **4. ADJUSTMENT OF PREMIUM**

If the premium for any section of this policy has been calculated on any estimated figures, You will, after the expiry of each period of insurance, furnish Hollard with such particulars and information as Hollard may require for the purpose of recalculation of the premium for such period. Any difference will be paid by or to You as the case may be.

#### **5. PREVENTION OF LOSS**

You will take all responsible steps and precautions to prevent accidents or losses. You are also required to comply and adhere to laws and regulations, by-laws and rules which are material to the risk (irrespective of whether the laws, regulations, by-laws and rules are in force at the date the Policy is issued, or are enacted after that date). The failure to adhere to any applicable law, regulation, by-law or rule will entitle Hollard to reject any claim where such failure is material to the loss / damage.

#### **6. CLAIMS**

- a) As soon as possible after the happening of an occurrence, accident or event that may give rise to a claim against Hollard, You or Your legal representative must at Your own expense:
  - (i) advise details to Hollard, and provide particulars of any other insurance covering such events as are hereby insured, and then send written confirmation within 30 days.
  - (ii) take all reasonable steps to minimise the loss, damage or liability, and to prevent any further loss, damage or liability. Hollard will not be liable in respect of any further damage arising out of the continued use of damaged property, until such property is repaired to Hollard's satisfaction.
  - (iii) use best endeavours to preserve any damaged or defective appliances, plant or things that might prove necessary or useful by way of evidence in connection with any claim and, so far as possible, with due regard for safety, no alteration or repair will be made without Hollard's consent. Retain all damaged property for inspection by Hollard.
  - (iv) give Hollard such proof, information and sworn declarations as Hollard may require and forward to Hollard immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against You in connection with the event giving rise to the claim and forward to Hollard every communication, Writ or Summons within 72 hours of receipt by You or service upon You.
  - (v) as soon as practicable after the event advise the nearest Police Station in the case of property lost, stolen or vandalised, motor vehicle accidents, and obtain a written Police report if requested by Hollard and take all practicable steps to discover the guilty party and to recover stolen or lost property.
  - (vi) advise Hollard of any impending prosecution or inquest or any official statutory enquiry investigating an occurrence.
  - (vii) as soon as practicable after the event submit to Hollard full details in writing of any claim.
- b) Where a claim arises, You must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim without Hollard's consent other than as provided for under 6a) (ii) above
- c) You, or any person making a claim under this Policy, must not make any admission of liability, statement or payment or promise or offer of payment in connection with any such claim, without Hollard's written consent.
- d) At Your own expense, You will furnish Hollard with such books or account and other business books, computer records, vouchers, invoices, balance sheets, and other documents, proofs, information, explanations and other evidence together with a statutory declaration as Hollard may require for the purpose of investigating or verifying a claim under this Policy and You and Your accountants must cooperate fully in this regard.
- e) If Hollard agrees to indemnify You under any Section of this Policy in respect of a claim, Hollard will make progress payment to You on account of that claim at such intervals and for such amounts as may be mutually agreed.
- f) No claim (other than a claim under the business interruption, commercial crime section or the personal accident (assault) extension under the money section, if applicable) will be payable after the expiry of 24 months or such further time as Hollard 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 Your legal liability to a third party.
- g) No claim will be payable unless You claim payment by serving legal process on Hollard within 6 months of the rejection of the claim in writing and pursue such proceedings to finality.
- h) 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, You will render all assistance in the identification and physical recovery of such property if called on to do so by Hollard, provided that Your reasonable expenses in rendering such assistance will be reimbursed by Hollard. Should You fail to render assistance in terms of this condition when called upon to do so, You will immediately become liable to repay to Hollard all amounts paid in respect of the claim.

## **7. HOLLARD'S RIGHTS AFTER AN EVENT (SUBROGATION CONDITION)**

- a) On the happening of any event in respect of which a claim is or may be made under this policy, Hollard and every person authorised by Hollard may, without thereby incurring any liability and without diminishing the right of Hollard 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 will be evidence of Your leave and licence to Hollard to do so. You will not be entitled to abandon any property to Hollard whether taken possession of by Hollard or not;
  - (ii) take over and conduct in Your name the defence or settlement of any claim and prosecute in Your name for Your own benefit any claim for indemnity or damages or otherwise and will have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity will be made by You without the written consent of Hollard.
- b) You will, at the expense of Hollard, do and permit to be done all such things as may be necessary and / or reasonably required by Hollard for the purpose of enforcing any rights to which Hollard will be, or would become, subrogated upon Your indemnification whether such things will 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, Hollard may, upon the happening of any event, pay to You the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and Hollard will thereafter not be under further liability in respect of such event.

## **8. FRAUD**

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by You or anyone acting on Your behalf or with Your knowledge or consent to obtain any benefit under this policy or if any event is occasioned by the wilful act or with Your connivance, or if You have inflated Your claim in any way, the benefit afforded under this policy in respect of any such claim will be forfeited.

## **9. REINSTATEMENT OF COVER AFTER LOSS (NOT APPLICABLE TO STOCK ON A DECLARATION BASIS NOR TO ANY SECTION WHERE IT IS STATED TO BE NOT APPLICABLE)**

In consideration of sums insured not being reduced where appropriate by the amount of any loss, You will pay additional premium on the amount of the loss from the date thereof or from the date of reinstatement or replacement (whichever is the later) to expiry of the period of insurance.

## **10. BREACH OF CONDITIONS**

The conditions of this policy and sections thereof will apply individually to each of the risks insured and not collectively to them so that any breach will render voidable the section only in respect of the risk to which the breach applies.

## **11. NO RIGHTS TO OTHER PERSONS**

Unless otherwise provided, nothing in this policy will give any rights to any person other than You. Any extension providing indemnity to any person other than You will not give any rights of claim to such person, the intention being that You will claim on behalf of such person. Your receipt will in every case be a full discharge to Hollard.

## **12. INSURABLE INTEREST**

- a) You must have an insurable interest in any item insured under this policy at the date of the event giving rise to a claim.
- b) If Your Insurable Interest in an insured item is an interest other than as an owner or a good faith possessor of the goods, in terms of a credit agreement, who bears the risk of loss, You must advise Hollard of the nature and extent of Your insurable interest before the cover starts. The cover for any such item will only start when Hollard has given You written confirmation that Hollard agrees to insure the property.
- c) Should the nature or extent of Your insurable interest in any item insured under this policy change You must notify Hollard in writing of the change immediately and if You do not Hollard may reject Your claim if You do not have an insurable interest that Hollard has agreed to insure.

## **13. VALUE-ADDED TAX (VAT)**

- a) Definition  
VAT means the amount of value-added tax payable by You or Hollard to the revenue authorities in the Republic of South Africa.
- b) VAT-inclusive condition  
It is understood and agreed that the monetary amounts as reflected in the sums Insured and / or limits of indemnity will be applied to the indemnity or amounts payable in terms of this Policy and to which sums the terms, conditions, provisions and limitations of this Policy applies, and value-added tax at the current rate as promulgated in legislation relating thereto.

Subject to such sums / limits of indemnity being adequate to embrace the amounts described under a) and b) above, Hollard will, to the extent that You are accountable to the tax authorities for value-added tax in respect of any payment in terms of this Policy, include the amount of such tax in the final settlement of any claim in terms of the Policy, provided that the total amount payable for any defined event and the value-added tax related thereto will not exceed the sum insured / limit of indemnity set against such defined event.

Furthermore, in the event of a change in the rate of VAT during the period of insurance, sums insured, limits of indemnity and, if appropriate, premiums will be adjusted automatically.

#### **14. CONSENT TO DISCLOSURE OF PRIVATE INFORMATION**

- a) You acknowledge that the sharing of information for underwriting and claims purposes is in the public interest, as it will enable insurers to underwrite policies and assess risks fairly and reduce the incidence of fraudulent claims with a view to limiting premiums.
- b) On behalf of Yourself and on behalf of anyone You represent herein, You hereby waive any right to privacy with regard to any underwriting and claims information in respect of any insurance policy or claims made or lodged by You, or on Your behalf.
- c) You consent to such information being stored in the shared database and used as set out above.
- d) You also consent to such information being disclosed to any insurer or its agent.
- e) You further consent to any underwriting information being verified against legally recognised sources or databases.
- f) You agree that this consent clause will survive the termination for whatever reason of the Policy, including its cancellation or lapsing.

#### **15. INTEREST ON PAYMENTS**

No interest will be payable on any amount due by Hollard in terms of this Policy unless a Court of Law orders otherwise.

#### **16. LAW AND LEGAL JURISDICTION**

Any dispute between You and Hollard in connection with or arising out of the Policy will be decided exclusively in accordance with the law of the Republic of South Africa and exclusively by a competent court of South Africa.

You undertake that You will not institute any action against Hollard nor bring joinder proceedings against Hollard in the Court of any country other than the Republic of South Africa.

#### **17. CHANGE OF INTEREST**

The cover provided by this Policy will be void with respect to any item insured:

- a) to which any alteration after the commencement of this insurance takes place;
  - b) whereby Your interest ceases except by will or operation of law;
- unless notice has been given to Hollard in writing as soon as practicable after such alteration and an additional premium paid if required.

#### **18. NATIONAL BUILDING REGULATIONS**

Cover under this policy is conditional thereon that all properties must comply with the National Building Regulations and plans submitted to and approved by the local authority at the relevant time.

#### **19. OBSOLESCENCE CLAUSE**

In the event of loss of or damage to:

- a) electronic motors;
- b) telephonic communication equipment;
- c) security control equipment (inclusive of cameras);
- d) alarm and detection systems;
- e) TV aerials including television transmission or reception equipment;
- f) closed circuit cameras and monitors;
- g) or any accessory or attachment relating thereto;

being the subject of a claim as insured for which there is no immediate replacement; or for which the agency or supplier in South Africa has discontinued the importation of such equipment; and provided that such equipment is not repairable, then such equipment will be considered obsolete.

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

Such indemnity will relate to the physical cost of the said equipment; as defined herein; and will exclude the costs of labour and installation.

Upon Hollard having agreed to indemnify You in terms of this clause; then at the option of Hollard You will have the equipment being the subject of the claim; removed from its place of installation prior to payment of such indemnity and delivered to Hollard or Underwriters at the named offices.

Such cost of removal and delivery will be agreed with Hollard and Underwriters and these costs will be for the account of Hollard.

#### **20. DYE-LOTS, PATTERNS AND TEXTURES CLAUSE**

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

#### **21. SUSPENSION OF INSURANCE COVER**

Hollard may at its option; suspend insurance cover relative to any section of the Schedule to this policy in the event of:

- a) Your failure to comply with any statutory or building requirement to which this insurance is subject;
- b) any condition to which the policy may be subject to in writing or endorsement by Hollard and thereafter directed to You or Your appointed representative.

#### **22. FIRE PROTECTION**

It is a condition precedent to liability under this policy that all firefighting equipment or fire protection at the premises is installed, maintained and serviced in accordance with the Regulations contained in the National Building Regulations or any other regulations as may be contained in the respective Emergency Services Bye-laws.

### **GENERAL PROVISIONS**

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

#### **A. CLAIMS PREPARATION COSTS**

The insurance provided by each section of this policy is extended to include costs reasonably incurred by You in producing and certifying any particulars or details required by Hollard in terms of general condition 6 or to substantiate the amount of any claim, provided that the liability of Hollard for such costs in respect of any one claim will not exceed, in respect of a particular section, R10 000 or 10% of the sum insured or limit of indemnity on the item affected, whichever is less, plus any amount stated in the Schedule to each section against an item for additional claim preparation costs.

#### **B. PAYMENTS ON ACCOUNT**

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

#### **C. DEDUCTIBLE**

Except where provided for specifically in any section, the amount payable under this policy / section for each and every loss, damage or liability will be reduced by the Deductible shown in the Schedule for the applicable defined event.

#### **D. MEMBERS, DIRECTORS, PARTNERS OR EMPLOYEES**

Wherever the word "members, directors, partners or employees" appears in the wording it is deemed to include "trustees".

#### **E. LIABILITY UNDER MORE THAN ONE SECTION**

Hollard will not be liable under more than one section of this policy in respect of liability, loss or damage arising from the same happening in respect of the same liability, loss or damage.

#### **F. MEANING OF WORDS**

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

#### **G. PREMIUM PAYMENT**

Premium is payable on or before the inception date or renewal date as the case may be.

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

#### **H. HOLDING COVERED**

If Hollard is holding covered on a risk Hollard will not reject a claim on the basis that the premium has not been agreed.

#### **I. SCHEDULE SUMS INSURED BLANK**

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

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

this means the defined event or circumstance shown in the Schedule is not insured by the policy.

#### **J. SECURITY GUARD**

If an employee of a security firm employed by You under a contract causes loss or damage, Hollard agrees, if in terms of the said contract You may not claim against the said security firm, not to exercise Hollard's rights of recourse against the said security firm.

Hollard will not raise as a defence to any valid claim submitted under any section or sub-section of this policy that Hollard's rights have been prejudiced by the terms of any contract entered into between You and any security provider relating to the protection of Your insured property.

#### **K. AVERAGE**

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then You will be considered as being Your own insurer for the difference and will bear a rateable share of the loss accordingly. Every item, if more than one will be separately subject to this Condition.

#### **L. MALICIOUS DAMAGE**

directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage;

PROVIDED THAT:

- (i) Hollard will not be liable to pay more than the amount stated in the Section Limits for each and every event;
- (ii) and each and every claim will be reduced by 5% (five percent) with a minimum of R1 000 (one thousand Rand) or the amount stated in the Section Limits;

PROVIDED FURTHER THAT:

this Extension does not cover:

- a) damage related to or caused by fire or explosion;
- b) loss or damage for which indemnity is available in terms of the Theft Section or Policy;
- c) consequential or indirect damage of any kind or description whatsoever, other than loss of rent if specifically Insured;
- d) damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- e) loss, damage, cost or expense directly or indirectly arising from dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or;
- f) damage related to or caused by any occurrence referred to in General Exception 1 (A) (i), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence;

If Hollard alleges that, by reason of Proviso a), b), c), d), e) or f), loss or damage is not covered by this Section, the burden of proving the contrary will rest on You.

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

During the period of the initial unoccupancy of 30 (thirty) consecutive days, You will become a co-insurer with Hollard and will bear a proportion of any damage equal to 20% (20 percent) of the claim before any Deductible.

### **ENDORSEMENT 0001G (GENERAL)**

#### **RECOMMENDATIONS AND IMPROVEMENTS**

The policy will strictly be subject to all the risk improvements and requirements as per notification –

Applicable to all relevant policy sections. Please take special note of the implementation period applicable.

#### **TERRITORIAL EXTENSION / SUM INSURED LIMITS**

Cover under the policy is subject to the following amendments:

The maximum liability /loss under this policy in respect of any claims under the Fire, Buildings Combined, Office Contents, Business Interruption and Accidental Damage sections of the policy is limited to 10% (or R336 000 000 whichever is the lesser) of policy sum insured for incidental risks situated outside Sub-Saharan Africa.

## WHEN HOLLARD MAY REFUSE A CLAIM

Hollard may refuse to pay a claim, or Hollard may reduce the amount paid to You, if:

- a) You do not do what Your duty of disclosure requires You to;
- b) You:
  - (i) are not truthful,
  - (ii) have not given Hollard full and complete details, or
  - (iii) have not told Hollard something when You should have, when applying for the insurance, or when making a claim;
- c) You do not at all times take all reasonable care as Hollard requires You to do
- d) You do any of the following without Hollard agreeing to it first:
  - (i) make or accept any offer or payment or in any other way admit You are liable,
  - (ii) settle or attempt to settle any claim, or
  - (iii) defend any claim;
- e) cover is specifically excluded in the policy;
- f) You have not complied with any of the requirements of making a claim; or
- g) You are in breach of any other conditions of Your policy.

Remember, if You prevent Hollard's right to recover from someone else or if You have agreed not to seek compensation from another person who is liable to compensate You for any loss, damage or legal liability which is covered by this policy, Hollard will not cover You under this policy for that **loss, damage or legal liability**.

## GENERAL DEFINITIONS

### 1. ACT

As applied to the issued policy and the interested parties being subject to either:

The Sectional Titles Act 95 of 1986 (as may be amended or replaced)

or

The Companies Act of 2001 (section 21) (companies not for gain) (as may be amended or replaced)

or

The Share-blocks Control Act 59 of 1980 (as may be amended or replaced)

### 2. BUSINESS

The duties and requirements of a Body Corporate in terms of the Sectional Titles Act 95 of 1986 as may be applied to this insurance and the registered rules agreed and amended by the appointed Trustees or as may be amended by statutory regulations and or the provisions thereof

or

The duties and requirements of the directors of a Company governing the activities of a Home Owners Association as determined in accordance with the requirements of the Companies Act of 2001 (section 21) (companies not for gain) as may be applied to this insurance or amended by statutory legislation and or the provisions thereof

or

The duties and requirements of the directors / members of a "share-block" as determined in accordance with the requirements of the Shareblock Control Act 59 of 1980 as may be applied to this insurance or amended by statutory legislation and or the provisions thereof.

### 3. BODY CORPORATE / HOME OWNERS ASSOCIATION / SHARE-BLOCK INVESTORS

- a) Body Corporate

The controlling body of the building(s) described in the schedule and acting within the requirements of the Sectional Title Act 95 of 1986 (or as may be amended).

- b) Home Owners Association

The directors of a company acting within the requirements of the Companies Act 2001 (section 21) (companies not for gain) (or as may be amended).

- c) Shareblock Investors

The directors / members of a syndicate or company acting within the requirements of the Shareblocks Control Act 59 of 1980 (or as may be amended).

### 4. OWNER

All registered owners of a Unit including the owner's spouse, children and other persons normally residing with him / her.

### 5. SCHEME

The Sectional Titles Development Scheme in terms of the Sectional Titles Act 95 of 1986 or investment entitlement of investors in terms of the Companies Act 2001 (section 21) (companies not for gain) or investment entitlement of investors in terms of the Shareblocks Control Act 59 of 1980.

## **6. SECTION**

A section of property as shown on the sectional plan bearing the number stated in the participation quota schedule; or that interest in a unit representing an investor's interests and entitlement.

## **7. COMMON PROPERTY**

That part of the property insured which does not form part of a section and described on the Sectional Plan in the schedule.

## **8. UNIT**

The section designated on the Sectional Plan including its undivided share in the common property apportioned to it in accordance with its participation quota or that interest in a unit representing the investors' entitlement as a Shareblock Investor.

## **9. PARTICIPATION QUOTA IN THE COMMON PROPERTY**

The participation quota of a section or of the owner of a section is that proportion designated in the Sectional Plan and / or Rules of the Controlling Body.

## **10. TRUSTEES**

The elected trustees of the Body Corporate.

## **11. EMPLOYEE**

Any person or persons over whom an authorised Trustee of the Body Corporate or authorised Director of the Company governing the Home Owners Association or director or member representing the interest of the Shareblock Investors; have effective direction and control as to the effort and outcome or the work undertaken by an "employee" or "employees" whilst engaged by the Body Corporate or Home Owners Association provided the "employee" or "employees" act whilst; during and within the scope of their authorised and appointed employment; and are qualified in the undertaking of their required services.

The activities of any Managing Agent(s) and or their employees or appointed contractors (or their subcontractors) are specifically excluded in terms of the definition of an "Employee".

## **12. THE INSURED / YOU**

The Insured [hereinafter You] includes all owners and all mortgages of registered mortgage bonds over the units in the scheme for their respective rights and interests.

## **13. BUILDINGS**

Are deemed to include outbuildings and landlord's fixtures and fitting therein and thereon including fitted carpets and lifts with all associated equipment, transformers, motors, boilers, air-conditioning, standby generators and walls (except dam walls), gates, posts, fences (excluding hedges) and sporting / recreational structures including but not limited to swimming pools, tennis courts (including floodlights), sauna / spa baths / Jacuzzi's and water pumps, pool machinery, borehole motors and brick, tar, concrete paved roads, driveways, parking areas, paths or patios all Your property and situate as stated in the schedule.

Unless otherwise stated in the schedule, the buildings and outbuildings will be constructed of brick, stone, concrete, or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos.

## **14. REWARDS PROGRAMME**

The policy holder must maintain a loss ratio of 30% or lower for the initial two consecutive years of cover. Once this entry level requirement has been achieved a bonus of 10% of the net annual premium will be awarded in the third year if the loss ratio remains under the prescribed percentage loss ratio and in any subsequent year if the annual loss ratio remains below the 30% entry loss ratio. If the 30% loss ratio is exceeded in any one 12 month insurance period after the initial qualification period You may build back and re-qualify for the reward once Your loss ratio has again reduced to below the 30% bonus entry level loss ratio.

# Buildings

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINED EVENTS

1. Damage by the perils described
  - a) in sub-section A to the buildings (as defined) including all outbuildings thereto (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise stated in the schedule) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, posts, fences, and tarred or paved roads, driveways, paths or parking areas.
  - b) in sub-section B to public supply connections situated as stated in the schedule.
2. Loss of rent as provided for in sub-section C.

Provided that no amount will be payable in terms of this section except in the event of actual physical loss of or damage to insured property, notwithstanding that the insured property may have been deemed to have been destroyed in terms of Section 48 of the Act, and the provisions of that section do not apply in regard to the application or interpretation of this policy

## SUB-SECTION A PROPERTY

1. Fire, lightning, thunderbolt, subterranean fire, explosion, meteorite.
2. Storm, wind, water, hail or snow other than:
  - a) that arising from its undergoing any process necessarily involving the use or application of water;
  - b) wear and tear or gradual deterioration;
  - c) loss or damage:
    - (i) to retaining walls unless Hollard is in receipt of a certificate which has been issued by a professional engineer;
    - (ii) caused or aggravated by:
      - subsidence or landslip, erosion, collapse, active soils or any other movement of earth;
      - Your failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage.
3. Earthquake.
4. Aircraft and other aerial devices or articles dropped from them.
5. Impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes, vehicles or property in or on such vehicles.
6. Theft (or any attempt thereat) accompanied by the use of force and or the forcible and violent entry into or exit from such building or property.
  - a) If any building insured or containing Your property becomes unoccupied for 30 consecutive days, this item is suspended as regards the property affected unless You obtain the written agreement of Hollard to continue this insurance before the occurrence of damage.
  - b) During the period of the initial unoccupancy of 30 consecutive days You will become a co-insurer with Hollard and will bear a rateable proportion of any damage equal to 20% of the claim before deduction of any Deductible.
7. Accidental damage to or breakage of glass or sanitary ware, such as fixed glass in windows, doors, fanlights, skylights, greenhouses, conservatories and veranda's, fixed wash-basins, pedestals, sinks, lavatory pans, splash backs and cisterns (but excluding chipping, scratching and other disfiguration).
8. Accidental breakage or collapse of radio or television aerals, satellite dishes, aerial fittings or masts, Hollard's liability will not exceed R2 000 any one event.

9. Accidental damage including electrical or mechanical breakdown to pumps and machinery for swimming pools, boreholes, sauna / spa baths / Jacuzzi's, automatic gates and garage doors in domestic use. BUT Hollard will not be liable for damage to property resulting from or caused by wear and tear, gradual deterioration, insects, vermin or any process of cleaning, repairing, altering or restoring, corrosion, erosion, deposit or scale, sludge or other sediment, chemical action or rust. Hollard's liability will not exceed R2 000 any one event.
10. Sudden and unforeseen bursting and overflowing of water or oil from tanks, apparatus or pipes including any fixed water or oil-fired heating installation including damage to tanks, apparatus or pipes BUT excluding all damage as a result of wear and tear and gradual deterioration, whether visible or concealed, and excluding geysers which are more specifically insured under The Geyser All Risks Section.

Specific condition (not applicable to 7, 8, 9 or 10 above)

#### **AVERAGE**

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then You will be considered as being Your own insurer for the difference and will bear a rateable share of the loss accordingly. Every item, if more than one, will be separately subject to this condition. This condition will apply to the individual unit (excluding the owner's interest in the land) and not to the property as a whole.

### **SUB-SECTION B PUBLIC SUPPLY CONNECTIONS**

Accidental damage to water, sewerage, gas, electricity and telecommunication connections Your property or for which You are legally responsible, between the property insured and the public supply or mains.

### **SUB-SECTION C RENT**

#### **1. LOSS OF RENT RECEIVABLE FROM TENANTS**

Loss of Rent as a result of the property insured being so damaged by any of the perils specified in Sub- Section A, as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding 30% of the sum insured. The basis of calculation will be the rent payable to You immediately preceding the damage or the rental equivalent.

#### **2. OWNERS AS OCCUPIERS ALTERNATIVE ACCOMMODATION**

In consequence of the property being so damaged by any of the perils specified in Sub-Section A as to be rendered untenable

- a) Hollard will indemnify You in respect of the reasonable cost of equivalent alternative accommodation up to a limit of 30% of the sum insured.

Cover is furthermore extended to include:

- b) Hollard will indemnify You in respect of the reasonable cost of alternative accommodation for live in domestic employees limited to an amount of R15 000 in the aggregate per period of insurance, and
- c) Hollard will indemnify You in respect of the reasonable cost of alternative accommodation for Your domestic pets limited to R2 500 in the aggregate per period of insurance

The insurance provided herein does not cover any loss which at the time of happening of such loss is insured by or would but for the existence of this policy be insured by any other policy except in respect of any deductible beyond the amount which would have been payable under the policy had this insurance not been effected.

### **CLAUSES AND EXTENSIONS**

#### **1. SUBSIDENCE AND LANDSLIP EXTENSION TO SUB-SECTION A**

The following peril is automatically added to the perils applicable to sub-section A – Property unless specifically excluded:

- a) Sub-section A Property is extended to include loss of or damage to the building caused by subsidence or landslip of the land supporting the building, or heave, provided that such loss or damage is not caused by or does not arise from:
  - (i) normal settlement, shrinkage or expansion of the building;
  - (ii) alterations, additions or repairs to the building;
  - (iii) the compaction or infill;
  - (iv) defective or faulty design, materials or workmanship;
  - (v) excavations including mining operations;
  - (vi) contraction and / or expansion of soil, clay or similar types or moist or damp;
  - (vii) removal or weakening of support to the building;
  - (viii) buildings constructed on dolomite sites.

- b) Excluded cover:  
Loss of or damage to the following is automatically excluded:
- (i) swimming pools and surrounds, tennis courts, terraces, patios, driveways, septic or conservancy tanks, drains, water courses, walls, gates, posts, fences, retaining and screening walls unless the building is damaged at the same time by the same event.
  - (ii) solid floor slabs or any part of the building resulting from the movement of such slabs unless the foundation supporting the external walls of the building are damaged by the same cause at the same event.
  - (iii) consequential loss of any kind whatsoever.
  - (iv) damage existing at commencement of cover.
- c) No cover is provided for the work necessary to prevent further loss or damage to subsidence, landslip or heave except where appropriate design precautions are implemented during the original construction of the building and any subsequent additions thereto.
- d) You may be required to prove that the loss or damage being claimed for was caused by subsidence and / or landslip or heave.

In any action suit or other proceeding where Hollard alleges that, by reason of the provisions of this extension, any damage is not covered by this insurance, the burden of proving the contrary will be upon You.

## **2. SUBSIDENCE AND LANDSLIP EXTENSION TO SUB-SECTION A – FULL COVER (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

The following peril is added to Sub-section A – Property:

Damage caused by subsidence or landslip, provided that You will bear the first portion of each and every claim up to an amount calculated at 1% of the Sum Insured as stated in the schedule.

This extension does not cover:

- a) damage to drains, water courses, boundary walls, gates, posts and fences unless specifically insured.
- b) damage caused or attributable to:
  - (i) faulty design or construction of, or the removal or weakening of support to any building situated at the insured premises.
  - (ii) workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises.
  - (iii) excavation on or under land other than excavations in the course of mining operations.
- c) consequential loss of any kind whatsoever including loss of rent.
- d) normal settlement, shrinkage or expansion of the building.
- e) active soils, except where professional engineering design precautions have been implemented during construction.
- f) the densification of made up ground or infill or by inadequate compacting of filling.
- g) damage from a cause which existed prior to the commencement of the policy.
- h) solid floor slabs or any other part of the building resulting from the movement of such slabs, unless the foundations supporting the external walls of the building are damaged at the same cause at the same time.
- i) work necessary to prevent further destruction or damage due to subsidence or landslip except where appropriate design precautions were implemented during the original construction of the building and any subsequent additions thereto.

In any action suit or other proceeding where Hollard alleges that, by reason of the provisions of this extension, any damage is not covered by this insurance, the burden of proving the contrary will be upon You.

### **DEFINITIONS**

1. **Subsidence:** the downward movement of a site on which buildings may or may not stand, from causes unconnected with the building (if present).
2. **Landslip:** the downward and / or sideways movement of sloping ground resulting from the action of self-weight stresses and imposed loadings exceeding the available strength of the ground.
3. **Settlement:** the downward movement of a site due to the application of superimposed loading which is the wholly natural effect of superimposing a load on a site and is unpredictable.
4. **Active Soils:** a soil that changes in volume to varying degrees in response to changes in moisture content, i.e. the soil may increase volume (heave or swell) upon wetting and decrease in volume (shrink) upon drying out.

### **PREVENTION OF ACCESS EXTENSION TO SUB-SECTION C (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

If property within a 10km radius of the premises stated in the schedule is lost or damaged by a peril defined in Sub-Section A during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, Hollard will pay any loss of rent You may incur as a result thereof up to an amount not exceeding 30% of the sum insured on the affected property. The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.

#### **ARCHITECTS' AND OTHER PROFESSIONAL FEES CLAUSE**

The insurance under Sub-Section A includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 15% of the amount payable in respect of such damage and provided that the total amount recoverable will not exceed the sum insured on the property affected. The amount payable in respect of such fees will not include expenses incurred in connection with the preparation of Your claim.

#### **CAPITAL ADDITIONS CLAUSE**

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

#### **CLEANING AND MAINTENANCE EQUIPMENT**

The insurance under this section of the policy is extended to include cleaning and maintenance equipment owned by You for maintaining and cleaning the premises and kept on said premises, to the sum insured indicated on the policy schedule.

#### **COST OF DEMOLITION AND CLEARING AND ERECTION OF HOARDINGS CLAUSE**

The insurance under this section includes costs necessarily incurred by You in respect of the demolition of property insured and / or the removal of debris and in providing, erecting and maintaining hoardings required during demolition, site clearing and / or building operations following damage to the property insured by a defined event, provided that the total amount recoverable will not exceed the sum insured on the property affected.

#### **HOLLARD WILL NOT PAY FOR ANY COSTS OR EXPENSES**

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

#### **ESCALATOR CLAUSE EXTENSION**

During each period of insurance, the sum(s) insured under Sub-Section A of this section will be increased by that portion of the percentage specified in the schedule which the number of days since the commencement of such period bears to the whole of such period.

In default thereof, the provisions of this clause will cease to apply.

#### **FIRE EXTINGUISHING CHARGES CLAUSE**

Any costs relating to the extinguishing or fighting of fire will be deemed to be damage to the insured property and will be payable in addition to any other payment for which Hollard may be liable in terms of this section provided You are legally liable for such costs and the property insured was in danger from the fire.

#### **LOSS OF WATER – AUTOMATIC COVER**

Hollard will indemnify You for the cost of water lost through leakage of pipes in any unit or on the common property where You are responsible for the paying the charge for such water, subject to the following:

- a) In the event of the quarterly reading of the water consumption exceeding the average of the last previous four quarter's readings by 50% or more, Hollard will indemnify You for the cost of such additional water consumed up to the limit stated on the schedule.
- b) There will be no indemnity if the water consumption exceeds the average by less than 50%.
- c) automatic cover up to an amount not exceeding R5 000.

#### **LOSS OF WATER EXTENSION (IF INDICATED ON THE SCHEDULE TO BE INSURED)**

Hollard will indemnify You for the cost of water lost through leakage of pipes in any unit or on the common property where You are responsible for the paying the charge for such water, subject to the following:

- a) In the event of the quarterly reading of the water consumption exceeding the average of the last previous four quarter's readings by 50% or more, Hollard will indemnify You for the cost of such additional water consumed up to the limit stated on the schedule.
- b) There will be no indemnity if the water consumption exceeds the average by less than 50%.
- c) up to an amount not exceeding R20 000.

#### **HOME MODIFICATIONS**

Hollard will contribute up to the maximum amount stated in the schedule towards necessary modifications to any insured property as defined herein following an event that gives rise to a claim that is agreed and processed by Hollard, which results in permanent disability to the Owner as defined herein.

### **MORTGAGEE CLAUSE**

The interest of any mortgagee(s) in the buildings, improvements, landlord's fixtures and fittings and rent insured only will not be prejudiced by:

- a) any act or neglect of the Body Corporate or any of the owners of units as defined in the Act, or
- b) any misrepresentation or non-disclosure of any of the owners of units at the time when the insurance is effected or renewed or during the currency thereof, or
- c) the alienation of the property, or
- d) the occupation thereof for purposes more hazardous than permitted by the policy.

Provided that:

- (i) such act, neglect, misrepresentation, non-disclosure, alienation or occupation will have been effected without the knowledge and privity of the mortgagee(s), and
- (ii) the mortgagee(s) will notify Hollard of the happening or existence of such act, neglect, misrepresentation, non-disclosure, alienation or occupation as soon as same comes to his or her knowledge, and
- (iii) the mortgagee(s) will on reasonable demand, pay the additional charge for any increase of hazard thereby created according to the established scale of rates, for the time such increased hazard may be, or have been, assumed by Hollard during the continuance of the Insurance, and
- (iv) any compensation payable in terms of this section will be payable direct to the mortgagee(s) of the particular unit in this section or the aggregate of the amounts due by the unit owner to the mortgagee under the mortgage bonds whichever is less.

Provided further that:

- a) all and any amounts becoming payable by Hollard under this section as a result of damage to the buildings, improvements or landlord's fixtures and fittings will unless otherwise resolved or ordered in terms of Section 36 of the Act, be wholly applied to the reinstatement of such damage. If it is resolved or ordered in terms of Section 36 of the Act that such damage or destruction should not be reinstated the proceeds of any claim applicable to a unit will be made in the first place to the mortgagee(s) of the particular unit up to the value allocated to the particular unit in this section or the aggregate of the amounts due by the unit owner to the mortgagee(s) under their mortgage bonds whichever is less,
- b) as regards this clause the specific condition of average will apply to the individual units (excluding the owner's interest in the land) and not to the property as a whole.

### **MUNICIPAL PLANS SCRUTINY FEE CLAUSE**

The insurance under this section includes municipal plans scrutiny fees, provided that the total amount recoverable under any item will not exceed the sum insured on the property insured so affected.

### **PUBLIC AUTHORITIES' REQUIREMENTS CLAUSE**

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

1. the amount recoverable under this clause will not include:
  - a) the cost incurred in complying with any of the aforesaid regulations:
    - (i) in respect of damage occurring prior to granting of this clause;
    - (ii) in respect of damage not insured by this section;
    - (iii) under which notice has been served upon You prior to the happening of the damage;
    - (iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) of that portion damaged;
  - b) the additional cost that would have been required to make good the property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen;
  - c) the amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations.
2. the work of repairing or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of Hollard under this clause not being thereby increased.
3. if the liability of Hollard under any item of this section apart from this clause is reduced by the application of any of the terms, exceptions and conditions of this section, then the liability of Hollard under this clause in respect of any such item is reduced in like proportion.
4. the total amount recoverable under any item of this section will not exceed the sum insured thereby.

### **RAILWAY AND OTHER SUBROGATION CLAUSE**

You will not be prejudiced by signing the “Transnet Cartage (Hazardous Premises) Indemnity” or other special agreements with the Transnet Administration regarding private sidings or similar agreements with other government bodies.

### **REINSTATEMENT VALUE CONDITIONS**

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

1. the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to Your requirements subject to the liability of Hollard not being thereby increased) must be commenced and carried out with reasonable despatch, otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein will be made;
2. until expenditure has been incurred by You in replacing or reinstating the property, Hollard will not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein;
3. if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of Your insured property had been damaged exceeds the sum insured thereon at the commencement of any damage to such property by a defined event, then You will be considered as being Your own insurer for the excess and will bear a rateable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply will be separately subject to this provision;
4. these conditions will be without force or effect if:
  - a) You fail to intimate to Hollard within six months of the date of damage, or such further time as Hollard may in writing allow, Your intention to replace or reinstate the property;
  - b) You are unable or unwilling to replace or reinstate the property on the same or another site.

### **TEMPORARY REMOVAL CLAUSE**

Except in so far as otherwise insured, landlord’s fixtures and fittings are covered while temporarily removed to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi.

Provided that the amount payable under this clause will not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed.

### **TENANT’S CLAUSE**

The insurance will not be invalidated by any act or omission on the part of an owner of a unit (except if committed by all owners in concert or except in respect of damage belonging to the owner whose act or omission caused the damage) or a tenant thereof (without Your or the owner’s knowledge), provided that You or the owner notify Hollard as soon as such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to Your knowledge and pay on demand the appropriate additional premium from the date any increased hazard will be assumed by Hollard.

### **INFLATION CONTINGENCY EXTENSION**

Hollard will pay the additional costs of reinstatement incurred between the time of the loss and actual reinstatement or replacement which are due to escalation costs. Provided that:

- (i) the indemnity herein will be without force or effect if You are unable or unwilling to reinstate or replace the property damaged on the same or another site,
- (ii) any amounts payable which may be indemnified in terms of any other policy will be deducted from any amount payable in terms of this policy,
- (iii) this extension is limited to the percentage specified in the schedule based on the replacement value at the time of loss.

### **MALICIOUS DAMAGE EXTENSION**

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

1. movable property which is:
  - a) stolen;
  - b) damaged in an attempt to remove it or part of it from any premises owned or occupied by You.
2. immovable property owned or occupied by You occasioned by or through or in consequence of:
  - a) the removal or partial removal or any attempt thereat, or
  - b) the demolition or partial demolition or any attempt thereat of the said immovable property or any part thereof with the intention of stealing any part thereof.

provided that this extension does not cover:

- a) 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, damage, cost or expense directly or indirectly arising from dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities ,
- e) damage related to or caused by any occurrence referred to in General exception 1 (A) (i), (ii), (iii), (iv), (v) or (vi), of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

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

If any building insured or containing Your insured property becomes unoccupied for 30 consecutive days the insurance in respect of this extension is suspended as regards the property affected unless You, obtain the written agreement of Hollard to continue this extension before the occurrence of any damage.

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

#### **REMOVAL OF TREES CLAUSE**

The cost of removing trees when they have fallen upon and caused damage to the insured property will be borne by Hollard.

#### **GARDEN LANDSCAPING CLAUSE**

The insurance under this section is extended to include the cost of reinstating landscaped gardens forming part of the insured property following damage to the insured buildings as a result of an insured peril subject to the limit of cover stated in the policy schedule.

#### **SECURITY SERVICES CLAUSE**

The cover provided by this section is extended to include the cost of hiring of security guards and / or services to protect the insured property consequent upon the security of the insured property being breached by an insured peril subject to the limit of indemnity stated in the policy schedule.

#### **RIOT AND STRIKE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein sub-sections A, B and C of this section are extended to cover loss or damage directly occasioned by or through or in consequence of:

1. civil commotion, labour disturbances, riot, strike or lockout;
2. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 1. 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, damage, cost or expense directly or indirectly arising from dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities;
- 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 Hollard alleges that, by reason of proviso a), b), c), d) or e), loss or damage is not covered by this section, the burden of proving the contrary will rest on You.

## **SPECIAL CONDITIONS AND ENDORSEMENTS**

#### **BURGLAR ALARM WARRANTY**

In respect of any premises stated in the Schedule to be subject to this Condition that a burglar alarm shall be installed, it is a condition precedent to the liability of the Company and warranted that:

- a) the burglar alarm installed at the protected premises shall be fully activated whenever the protected premises is / are not open for normal business unless any principal, partner, director or employee is in the protected premises;

- b) the insurance shall not cover loss of or damage to property following the use of keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the Insured unless such keys, keypad code or remote control were obtained by theft.

Unless specifically stated to the contrary, all premises shall be protected by such alarm and it is further warranted that:

- (i) the contract for any burglar alarm services shall include services of a 24 hour armed response unit;
- (ii) the control panel shall have an event log and the arming and disarming of the alarm shall be logged and after the occurrence of a claim the insurers will be entitled to request full information of the relevant log;
- (iii) such alarm will be maintained in proper working order but the Insured shall be deemed to have discharged their liability if they have maintained their obligations under a maintenance contract with the installation / service Company of the alarm system.

PROVIDED THAT:

cover will continue to be applicable whilst the alarm system is not operative due to a failure of the public supply of electricity at the terminal ends of the supply authority's service feeders and that such failure is not due to any act or omission of the Insured.

#### **SURGE ARRESTORS: (ELECTRONIC EQUIPMENT)**

No indemnity for loss of or damage to electronic equipment arising from lightning or power surge will be provided unless surge arrestors are installed on the insured premises on all data lines, power supplies and to electronic distribution boards.

All loss or damage to the property insured by power surges or lightning strikes will be subject to an additional deductible of 10% of the net amount payable for the items so damaged subject to a minimum of R500 each and every claim. However should the property insured be appropriately protected by Power Surge arrestors or suitable safeguards against electrical supply fluctuations, then this additional deductible will be waived.

#### **WATER LEAK DETECTION**

Costs necessarily and reasonably incurred by the insured in:

- 1 locating the source of leaking, bursting, discharging, or overflowing of tanks, apparatus or pipes but excluding geysers, used to carry water (including damage to other property necessary to effect the repair or replacement) and repairing or replacing the defective part or parts of such tanks, apparatus or pipes up to a limit of R 5,000.00 any one event and subject to the utilisation of a Hollard approved service provider.
- 2 cleaning up any pollution damage to land at the risk address, as a direct result of leakage described under this extension with the cost to be incorporated in the limit specified in item 1 above.

Provided that the leaking, bursting, discharging or overflow is caused by an event not excluded by the policy including wear and tear and gradual deterioration or lack of maintenance.

# Special Risk Geysers All Risks

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINED EVENTS

Loss of or damage to the geysers and attachments as defined, directly or indirectly caused by or attributed to or arising from rupturing, rust, decay, gradual deterioration, wear and tear, cracking, splitting, inherent vice or latent defect.

## DEFINITION OF GEYSER

The geyser unit itself including cylinder, cover, thermostat, element, vacuum breaker(s), safety valve, pressure control valve, expansion relief valve, sacrificial anode, drain cock, drip trays and pans, wiring from the element to the isolator switch including the isolator switch.

## LIMIT OF LIABILITY

The liability of Hollard under this section will not exceed the amounts as stated in the schedule and You will bear the first portion of each and every claim as stated under the Deductible in the schedule.

## SPECIFIC EXCEPTIONS

Hollard will not be liable for:

1. loss of or damage directly or indirectly caused by or contributed to or arising from faulty or defective design,
2. consequential loss of any kind whatsoever,
3. loss of or damage directly or indirectly caused by or contributed to or arising from the failure of and / or the deliberate withholding and / or lack of supply of water, gas, electricity or fuel,
4. any item forming part of the geyser and attachments covered by any guarantee,
5. the call out cost to attend to isolated incidents relating to the following without actual geyser related damage:
  - (i) ripple relays,
  - (ii) faulty circuit breakers.

## SPECIFIC CONDITION FOR THIS EXTENSION

The geyser(s) must be installed in accordance with SANS specification 10254 where applicable and in accordance with the manufacturers specifications or any other SANS specification applicable.

# Business Interruption

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINED EVENTS

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:

- (i) the buildings combined section of this policy,
- (ii) the office contents section of this policy,
- (iii) any other material damage insurance covering Your interest.

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

Hollard will indemnify You in accordance with the provisions of the specification hereinafter set out.

## SPECIFIC CONDITIONS

1. The insurance under this section will cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of Hollard.
2. On the happening of any Damage in consequence of which a claim may be made under this section, You will, in addition to complying with general conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section will, not later than 30 days after the expiry of the indemnity period, or within such further time as Hollard may in writing allow, at Your own expense deliver to Hollard in writing a statement setting forth particulars of Your claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting from them.

No claim under this section will be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made will be repaid to Hollard forthwith.

## ITEM 1 GROSS PROFIT (DIFFERENCE BASIS)

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 will 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 will, 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 of the 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 will 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 1 GROSS PROFIT (ADDITIONS BASIS)

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 will 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 will, 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 of Your standing charges as may cease or be reduced in consequence of the Damage, provided that the amount payable will 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.

#### **MEMO**

If any standing charges of the business are not insured under this section, then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure will be brought into account which the sum of the net profit and You standing charges bears to the sum of the net profit and all the standing charges.

### **ITEM 2 GROSS RENTALS**

The insurance under this item is limited to:

- a) loss of gross rentals, and
- b) increase in cost of working,

and the amount payable as indemnity hereunder will be:

- a) in respect of loss of gross rentals the amount by which the gross rentals during the indemnity period will in consequence of the Damage fall short of the standard gross rentals;
- 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 gross rentals which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the amount of the loss of gross rentals 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 gross rentals as may cease or be reduced in consequence of the Damage, provided that the amount payable will be proportionately reduced if the sum insured in respect of gross rentals is less than the annual gross rentals where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual gross rentals where the maximum indemnity period exceeds 12 months.

### **ITEM 3 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 will be:

- a) in respect of loss of revenue the amount by which the revenue during the indemnity period will, 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 will 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 4 ADDITIONAL INCREASE IN COST OF WORKING**

The insurance under this item is limited to reasonable additional expenditure (not recoverable under other items) incurred with the consent of Hollard during the indemnity period in consequence of the Damage for the purpose of maintaining the normal operation of the business.

### **ITEM 5 WAGES (NUMBER OF WEEKS BASIS)**

The insurance under this item is limited to the loss incurred by You by the payment of wages for a period beginning with the occurrence of the Damage and ending not later thereafter than the specified number of weeks.

The amount payable as indemnity under this item will be the actual amount which You will pay as wages for such period to employees whose services cannot, in consequence of the Damage, be utilised by You at all and an equitable part of the wages paid for such period to employees whose services cannot, in consequence of the Damage, be utilised by You to the full.

Provided that if the sum insured by this item is less than the aggregate amount of the wages that would have been paid during the specified number of weeks immediately following the Damage had the Damage not occurred, the amount payable will be proportionately reduced.

## **ITEM 6 FINES AND PENALTIES FOR BREACH OF CONTRACT**

The insurance under this item is limited to fines or penalties for breach of contract and the amount payable as indemnity hereunder will be such sum as You will be legally liable to pay and will pay in discharge of fines or penalties incurred solely in consequence of Damage for non-completion or late completion of orders.

## **DEFINITIONS**

**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 the results of the business will be affected in consequence of the Damage.

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

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

**Gross rentals** The money paid or payable to You by tenants in respect of periodic rental of the premises and for services rendered.

**Gross profit (difference basis)** The amount by which:

1. the sum of the turnover and the amount of the closing stock will exceed,
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 will be arrived at in accordance with Your normal accountancy methods, due provision being made for depreciation.

**Uninsured costs** As specified in the schedule (the words and expressions used will have the meaning usually attached to them in Your books and accounts).

**Gross Profit (additions basis)** The sum produced by adding to the net profit the amount of Your standing charges or, if there is no net profit, the amount of Your standing charges less such proportion of any net trading loss as Your amount standing charges bears to all the standing charges of the business.

**Net Profit** The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from Your business at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**Insured Standing Charges** As specified in the schedule (the words and expressions used will have the meaning usually given to them in Your books of account).

**Standard Turnover** to which such adjustments will be made as may be necessary to provide for the trend of the business and for variations 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 will 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.

**Annual Turnover:** Note: If the Damage occurs before the completion of the first year's trading of the business at the premises, the value of bracketed terms will be calculated by using values proportionate to the results obtained during the period between the commencement of the (gross rentals) during the 12 months immediately business and the date of damage.

#### **Standard Revenue**

**Standard Gross Rentals:** The turnover (revenue) (gross rentals) during that period in the 12 months immediately before the date of the Damage which corresponds with the indemnity period.

#### **Annual Revenue**

#### **Annual Turnover**

**Annual Gross Rentals:** The turnover (revenue) before the date of the Damage.

**Rate of Gross Profit:** The rate of gross profit earned on the turnover during the financial year immediately before the date of the Damage.

To which such adjustments will be made as may be necessary to provide for the trend of the business and for variations 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 will 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.

#### **Annual turnover**

Note: If the Damage occurs before the completion of the first year's trading of the business at the premises, the value of bracketed terms will be calculated by using values proportionate to the results obtained during the period between the commencement of the (gross rentals) during the 12 months immediately business and the date of damage.

#### **MEMO**

If, during the indemnity period, goods are sold or services are rendered elsewhere than at the premises for the benefit of the business either by You or by others on Your behalf, the money paid or payable in respect of such sales or services will be brought into account in arriving at the turnover, revenue or gross rentals during the indemnity period.

## **EXTENSIONS AND CLAUSES**

### **ACCIDENTAL DAMAGE (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

The following defined event is added:

"Loss following interruption 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 defined event (i) of the Accidental damage section of this policy (hereinafter termed Damage) provided that:

- a) the provision under any item of this section that the payment will be reduced proportionately if the amount insured by the item is not adequate, is deleted in respect of this defined event,
- b) Hollard will not pay more than the sum insured stated in the schedule of the Accidental damage section for both this section and the Accidental damage section combined."

### **ACCOUNTANTS CLAUSE**

Any particulars or details contained in Your books of account or other business books or documents which may be required by Hollard under this section for the purpose of investigating or verifying any claim hereunder, may be produced and certified by Your auditors or professional accountants, and their certificate will be prima facie evidence of the particulars and details to which it relates.

### **ACCUMULATED STOCKS CLAUSE**

In adjusting any loss, account will 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.

### DEPARTMENTAL CLAUSE

If the business is conducted in 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 / gross rentals / revenue and increase in cost of working, will 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 gross rentals) (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 period exceeds 12), the amount payable will be proportionately reduced but the limits of insurance will apply in the aggregate to all claims.

### DEPOSIT PREMIUM CLAUSE

In consideration of the premium by items 1, 2 or 3 being provisional in that it is calculated on 75% of the sum insured, the premium is subject to adjustment on expiry of each period of insurance as follows:

In the event of the gross profit / gross rentals / revenue earned (increased proportionately if the number of months referred to in the definition of indemnity period exceeds twelve) during the financial year most nearly concurrent with any period of insurance being less or greater than 75% of the sum insured thereon, a pro rata return or additional premium not exceeding 33⅓% of the provisional premium paid for such period of insurance will be made in respect of the difference.

In the event of a claim being made under this section, the amount paid or payable thereon will be regarded as actually earned.

### OUTPUT (ALTERNATIVE BASIS) CLAUSE

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

Provided that:

- a) only the meaning of output or the meaning of turnover will be operative in connection with any one event resulting in interruption;
- b) if the meaning, of output be used:
  - (i) the accumulated stocks clause will be inoperative;
  - (ii) the memo at the end of the definitions will read:

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

### SALVAGE SALE CLAUSE

If You hold a salvage sale during the indemnity period clause a) of item 1 (gross profit) will, 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) will, in consequence of the Damage, fall short of the standard turnover, from which sum will be deducted the gross profit actually earned during the period of the salvage sale.”

### EXTENSIONS TO OTHER PREMISES

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as defined herein) at the undernoted situations or to property as undernoted will be deemed to be loss resulting from Damage to property used by You at the premises.

#### A) SPECIFIED SUPPLIERS / SUB-CONTRACTORS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The premises of the suppliers and sub-contractors specified in the schedule subject to stated limits.

#### B) UNSPECIFIED SUPPLIERS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The premises of any other of Your suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any public supply undertaking from which You obtain electricity, gas or water subject to the limit stated in the schedule.

#### C) STORAGE, TRANSIT AND VEHICLE

Your Property while stored or while in transit by air, road, rail or inland waterway or being Your motor vehicles elsewhere than at premises occupied by You.

#### D) CONTRACT SITES

Any situation not occupied by You where You are carrying out a contract.

**E) PREVENTION OF ACCESS**

Property within a 10 km radius of Your premises, destruction of or damage to which will prevent or hinder the use of the premises or access thereto, whether Your premises or property therein will be damaged or not.

**F) PREVENTION OF ACCESS – EXTENDED COVER (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

Property within a 10 km radius of the premises, destruction of or damage to which will prevent or hinder the use of the premises or access thereto, whether Your premises or property therein will be damaged or not.

**G) ADDITIONAL PREMISES**

In the event of You occupying or having property at any newly added premises for the purpose of the business during the currency of this section, such newly added premises will be deemed to be included in those specified here subject to notification to Hollard as soon as reasonably practicable and to adjustment of the premium if necessary.

**H) CUSTOMERS (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

The premises of the customers specified in the schedule subject to stated limits.

**I) PUBLIC UTILITIES – INSURED PERILS ONLY (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines of an authority empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to Your premises.

**J) PUBLIC TELECOMMUNICATIONS – INSURED PERILS ONLY (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

- (i) Property at the premises of any public authority which is empowered by law to supply a telecommunications facility to You,
- (ii) the transmission facilities network of the public authority mentioned in (i).

**PUBLIC TELECOMMUNICATIONS – EXTENDED COVER (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

Loss as insured resulting from interruption of or interference with the business in consequence of the failure of the public telecommunication facilities to Your premises will be deemed to have resulted from Damage (as defined herein) provided this extension does not cover loss resulting from damage directly or indirectly caused by:

- (i) drought,
- (ii) a fault on any part of the premises belonging to You,
- (iii) a decision by any authority to legally withhold the telecommunication facility from You unless such decision is directly attributable to Damage to property of such authority,
- (iv) any event described in general exception 1 and 2, but cover provided under the Malicious damage extension in the underlying policy is not excluded.

If the failure of the facility is due to its mechanical or electrical or electronic breakdown, there will be no liability under this extension unless the interruption or interference with Your business extends beyond 36 hours.

**PUBLIC UTILITIES – EXTENDED COVER (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

Loss as insured resulting from interruption of or interference with the business in consequence of total or partial failure of the public supply of water, gas or electricity to Your premises will be deemed to have resulted from Damage (as defined herein) provided that this extension does not cover loss resulting from damage directly or indirectly caused by:

- (i) drought,
- (ii) pollution of water,
- (iii) shortage of fuel or water,
- (iv) a fault on any part of the installation belonging to the premises,
- (v) the exercise of an authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority,
- (vi) any event described in General exception 1 and 2, but cover provided by the Malicious Damage extension in the underlying material damage section of this policy is not excluded.

In respect of interruption of or interference with the business arising from mechanical or electrical or electronic breakdown, there will be no liability under this extension for interruption of or interference with the business unless such interruption or interference extends beyond 36 hours from commencement thereof.

**THE GEOGRAPHICAL LIMITS OF**

- b), c), d), e), f), h), i) and j) of the extensions to other premises and the extended covers for public telecommunications and public utilities are confined to the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi.
- g) of the extensions to other premises is confined to the Republic of South Africa and Namibia.

# Public Liability (Losses Occuring Basis)

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINED EVENTS

Damages which You will 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 during the period of insurance in, on or about the property insured and arising from Your ownership thereof and elsewhere within the Territorial Limits where You are working in the course of the business.

The amount payable inclusive of any legal costs recoverable from You by a claimant or any number of claimants and other costs and expenses incurred with Hollard's consent for any one event or series of events with one original cause or source will not exceed the amount stated in the schedule.

## THE LIMITS OF INDEMNITY

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

## TERRITORIAL LIMITS

Will mean for the purposes of this Subsection:

- a) The Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi;
- b) Elsewhere in the World but not in respect of any judgment, award, or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part) but only in connection with the Business carried on by You at or from any premises situated in any of the countries specified in a) above.

## SPECIFIC EXCEPTIONS

Hollard will not indemnify You in respect of:

1. death, injury or damage sustained by:
  - a) any member of Your same household;
  - b) any Trustee or person employed by You under a contract of service or apprenticeship and arising directly from and in the course of such trusteeship or employment by You;
  - c) any other person resulting from the ownership of or use by or on behalf of You of mechanical propelled vehicles (except pedal cycles, golf carts and lawnmowers).
2. damage to property:
  - a) (i) belonging to You;
  - (ii) in Your custody or control or any employee of Yours;
  - b) caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
3. liability assumed by agreement (other than under Your own standard conditions of contract) unless liability would have attached to You notwithstanding such agreement.
4. Arising directly or indirectly from any Pollution Hazard arising:
  - a) in the United States of America and / or Canada and / or their respective possessions or protectorates;
  - b) elsewhere in the World, other than in those countries or territories referred to in a) above, except where the Pollution Hazard results from a sudden, accidental, unexpected, and unintended, identifiable incident that takes place in its entirety at a specific identifiable time and place during the Period of Insurance;
  - c) 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.

provided that, the indemnity granted will not extend to Events arising directly or indirectly from any Pollution Hazard that involves bacteria, moulds or other fungi (including but not limited to mildew or mycotoxins or spores or any other substance or product produced or released by moulds or fungi). Provided further that the total indemnity payable will be the Limit of Indemnity for Subsection 1.

**Pollution Hazard** will mean:

- a) actual, alleged, or threatened:
  - (i) ingestion, inhalation, absorption, release, escape, discharge, dispersal, seepage of, contact with, or exposure to, Pollutants;
  - (ii) subsequent spread, migration, or movement of Pollutants following (i) above;
- b) the costs of cleaning up, containing, treating, detoxifying, neutralising, removing, monitoring of, or testing for, Pollutants and their effects, whether or not these are performed by You or third parties.

**Pollutants** will mean any solid, liquid, gaseous, or thermal irritants, smoke, vapour, soot, fumes, acids, alkalis, chemicals, waste, or other substances or contaminants, bacteria, moulds or other fungi (including but not limited to mildew or mycotoxins or spores or any other substance or product produced or released by moulds or fungi); which actually or are alleged to adversely affect land, water, atmosphere, property, buildings, other structures, or people, animals, plants, and all other living organisms, or the general environment.

5. fines, penalties, punitive, exemplary or vindictive damages.
6.
  - a) damages in respect of judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland;
  - b) costs and expenses of litigation recovered by any claimant from You which are not incurred in and recoverable in the area described in 8 a) above.
7. 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 Your direction;
  - b) caused by or through or in connection with:
    - (i) the refuelling of aircraft;
    - (ii) the ownership, possession, maintenance, operation or use of aircraft or an airline;
    - (iii) the ownership, hire or leasing of any airport, airstrip or helicopter pad.
8. any claim arising from an event known to You:
  - a) which is not reported to Hollard in terms of General condition 6;
  - b) prior to inception of this section.
9. **the Deductible**

You will be responsible for the Deductible 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 will apply to claims arising from injury and / or damage and will apply to costs and expenses incurred by You.

## MEMORANDA

1. 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.”
2. If, at the time of any event giving rise to a claim under this section, indemnity is also provided under any other insurance, this section will not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.
3. You will be responsible for the Deductible as stated in the schedule in respect of any one claim or number of claims arising from all events or a series consequent upon or attributable to any one source or original cause. The provisions of this clause will apply to claims arising from damage and will apply to costs and expenses incurred by You.

## CLAUSES AND EXTENSIONS

### TRUSTEE INDEMNITY

The defined events are extended to include damages which the Body Corporate and or any Trustee(s) become legally liable to pay arising out of any wrongful act of a Trustee(s) provided that Hollard's limit of liability including all costs and expenses will not exceed the amount stated in the schedule any one event and in all any one (annual) period of insurance.

For the purpose of this insurance a wrongful act will be:

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

Hollard will not indemnify You in respect of:

- a) any liability for the payment of VAT;
- b) any remuneration or other monies to which the Body Corporate or Trustee(s) is / are legally entitled;
- c) any indemnity claimed or claimable in terms of any other insurance;
- d) any Trustee(s) committing any wrongful act(s) knowing such action(s) to be illegal, fraudulent or of malicious intent, but this exception will not apply to any innocent party affected by such act(s);
- e) the amount of any Deductible payable stated in the schedule.

#### **CROSS LIABILITIES**

1. Where more than one insured is named in the schedule, Hollard will indemnify each insured separately and not jointly, and any liability arising between such insured will be treated as though separate policies had been issued to each, provided that the aggregate liability of Hollard will not exceed the limit of indemnity stated in the schedule.
2. Provided that the aggregate liability of Hollard is not increased beyond the limit of indemnity stated, Hollard will also indemnify as though a separate policy had been issued to each
  - a) in the event of Your death, any personal representative of Yours in respect of the liability incurred by You;
  - b) any trustee, partner or director or member or employee of Yours (if You so request) against any claim for which You are entitled to indemnity under this insurance.

#### **LEGAL DEFENCE COSTS (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

If You so request, Hollard will indemnify any employee, partner or director of Yours against costs and expenses not exceeding R50 000, any one event and R100 000 in any one (annual) period of insurance and incurred by or on behalf of such person with the consent of Hollard in the defence of any criminal action brought against such person in the course of his occupation with You 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, Hollard will not indemnify such person unless a senior counsel approved by Hollard will advise that such appeal should, in his opinion, succeed;
- (ii) Hollard will 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 will, as though he were You, 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.

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

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 as stated will not exceed R50 000 under each of (i) and (ii) and R100 000 in any one (annual) period of insurance.

#### **SECURITY FIRMS**

Notwithstanding specific exception 3, if in terms of a contract with a security firm engaged in the course of Your business (as owner of the premises specified in the schedule) to protect Your property at the premises stated in the schedule, You become legally liable for the acts or omissions of the employees of the security firm in the course of their employment at these premises, then this section included 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 You and not to the security firm, but not exceeding the limit of liability stated in the schedule of this section.

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, Hollard will not be liable to make any payment except in respect of any amount above the amount payable under such other policy.

#### **EMERGENCY MEDICAL EXPENSES**

Hollard will indemnify You for all reasonable expenses incurred by You 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 You in terms of this section.

### **CAR PARKS**

Notwithstanding the provisions of specific exception 2 a)(ii), Hollard will indemnify You 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 Yours using parking facilities provided by You.

### **THE STATUTES**

The Occupational Health and Safety Act. 85 of 1993 (as amended),  
The Electricity Act 41 of 1987 (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. 51 of 1977 (as amended).

### **TOOLS OF TRADE**

Specific exception 1 b) will not apply to the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto, provided that Hollard will 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 will Hollard be liable where any other form of motor insurance has been effected by You covering the same liability.

# Business All Risks

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINED EVENTS

Loss of or damage to the whole or part of the property described in the schedule while anywhere in the world by any accident or misfortune not otherwise excluded.

Provided that You will be responsible for the Deductible stated in the schedule in respect of each and every event except a claim resulting from fire, lightning or explosion.

## SPECIFIC EXCEPTIONS

Hollard will not be liable for:

1. loss of or damage to property resulting from or caused by:
  - a) theft from any unattended vehicle in Your custody or control or any principal, partner, director or employee of Yours unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit;
  - b) its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration;
  - c) inherent vice or defect, vermin, insects, damp, mildew or rust;
  - d) the dishonesty of any principal, partner, director or employee of Yours whether acting alone or in collusion with others;
  - e) directly or indirectly arising from dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities;
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
4. loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
5. loss of or damage to goods consigned under a bill of lading.

## SPECIFIC CONDITIONS

### AVERAGE

If the total value of property insured which is not separately and individually specified is, at the time of the happening of any loss or damage to such property, of greater value than the sum insured thereon, You will be considered as being Your own insurer for the difference and will bear a rateable share of the amount of the loss or damage. Each item of the schedule covering such property will be separately subject to this condition.

### REPLACEMENT VALUE CONDITION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The basis upon which the amount payable is to be calculated will be either the replacement of the property by similar property in a condition equal to, but not better nor more extensive than, its condition when new

or

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

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

## SPECIFIC EXTENSIONS

### INCREASE IN COST OF WORKING EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The insurance under this item is limited to expenditure not otherwise recoverable under this section, necessarily and reasonably incurred as a result of loss of or damage to property for which payment is made or liability therefor is admitted under this section, for the purpose of maintaining the normal operation of the business.

### NON-FORCIBLE AND VIOLENT ENTRY INTO VEHICLE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Exception 1a) will not apply to goods in the cab or boot of the vehicle where You maintain that the vehicle was locked but no evidence of forcible and violent entry or exit from the vehicle exists, provided that:

- a) The police case number is supplied to Hollard;
- b) This extension will only apply to property that is separately and individually specified in the schedule;
- c) After the deduction of the Deductible specified in the schedule, the liability of Hollard is further restricted to 50% of the claim or R10 000 whichever is less, in respect of any one event.

### REMOTE BLOCKING

If You can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence will be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of the cab or boot of the vehicle. Cover in this instance will be limited to R25 000 or the amount stated in the schedule whichever is lesser.

### 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 or 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, damage, cost or expense directly or indirectly arising from dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities;
- 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 Hollard 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 will rest on You.

## SPECIFIC CONDITIONS

### BURGLAR ALARM WARRANTY

In respect of any premises stated in the Schedule to be subject to this Condition that a burglar alarm shall be installed, it is a condition precedent to the liability of the Company and warranted that:

- a) the burglar alarm installed at the protected premises shall be fully activated whenever the protected premises is/are not open for normal business unless any principal, partner, director or employee is in the protected premises;
- b) the insurance shall not cover loss of or damage to property following the use of keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the Insured unless such keys, keypad code or remote control were obtained by theft.

Unless specifically stated to the contrary, all premises shall be protected by such alarm and it is further warranted that:

- (i) the contract for any burglar alarm services shall include services of a 24 hour armed response unit;
- (ii) the control panel shall have an event log and the arming and disarming of the alarm shall be logged and after the occurrence of a claim the insurers will be entitled to request full information of the relevant log;
- (iii) such alarm will be maintained in proper working order but the Insured shall be deemed to have discharged their liability if they have maintained their obligations under a maintenance contract with the installation/ service Company of the alarm system.

PROVIDED THAT:

cover will continue to be applicable whilst the alarm system is not operative due to a failure of the public supply of electricity at the terminal ends of the supply authority's service feeders and that such failure is not due to any act or omission of the Insured.

# Accidental Damage

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINED EVENTS (I)

Accidental physical loss of or damage to Your property at or about the premises not otherwise insured or for which insurance is available and described (whether incorporated in this policy or not) in terms of any section (other than Business All Risks) listed in the Table of Contents of this policy.

The amount payable for all loss or damage arising out of one original cause or source will not exceed the sum stated

and

notwithstanding general condition 2, this section will not be called into contribution for any defined event for which more specific insurance has been arranged.

## SPECIFIC EXCEPTIONS

Hollard will not be liable for:

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

## DEFINITION

### INSURED PROPERTY

Any tangible property belonging to You or held in trust or on commission for which You are responsible other than:

- a) current coin (including Krugerrands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, and other certificates, documents or instruments of a negotiable nature;
- b) furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art;
- c) property in transit by air, inland waterway or sea;

- d) railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers;
- e) standing or felled trees, crops, animals, land (including topsoil, backfill, drainage and culverts), driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines (external to the premises), tunnels, cables (external to the premises), cableways, bridges, docks, jetties, wharves, piers, excavations, property below the ground or explosives;
- f) electronic data-processing equipment and external data media (punch cards, tape disks and the like) and the information they contain;
- g) property in the course of construction, erection or dismantling including materials or supplies related thereto;
- h) property in the possession of customers under lease, rental, credit or suspensive sale agreements;
- i) glass, china, earthenware, marble and other fragile or brittle objects unless stated in the schedule to be insured.

## CLAUSES AND EXTENSIONS

### ADDITIONAL COSTS CLAUSE

In respect of buildings, plant and machinery insured, the sum insured includes:

- a) any costs incurred, due to the necessity to comply with building or other regulations of any public authority, in repair or reinstatement following an insured event, provided that such costs do not include:
  - (i) anything for which notice had been served on You prior to the insured event;
  - (ii) anything connected with undamaged property or undamaged portions of property;
  - (iii) rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of Your property;
- b) fees for the examination of municipal or other plans;
- c) costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding;
- d) the professional fees of architects, quantity surveyors and other consultants and the sum insured on all insured property includes
- e) charges levied by any authorised fire brigade for their services;

but Hollard will not be liable under a), b) or d) unless the lost or damaged property is replaced or reinstated without undue delay nor under d) for any expenses in connection with the preparation of Your claim.

Further, Hollard will not be liable under c) for any costs or expenses:

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

### MORTGAGEES CLAUSE

From the date of notification, Hollard accepts the interest of a mortgagee or others with an insurable interest in Your insured property and will not prejudice such interest due to the act or omission of the mortgagor without the mortgagee's knowledge, provided that the mortgagee advises Hollard as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from Hollard assuming any increased hazard.

### RAILWAY AND OTHER SUBROGATION CLAUSE

You will not be prejudiced by signing the "Transnet Cartage (Hazardous Premises) Indemnity" or other special agreements with Transnet Administration regarding private sidings or similar agreements with other government bodies.

### RESTRICTED COVER CLAUSE

The insurance in respect of documents, manuscripts, business books, plans, designs, patterns, models, moulds and computer system records is limited to the value of the materials and the cost of labour for recreating and excludes any expenses in connection with the production of any information contained therein or the value of such information to You.

### TENANTS CLAUSE

You will not be prejudiced by the act of any tenant in premises You own or in which You are a co-tenant or of the owner of any premises of which You are a tenant, provided that Hollard is notified as soon as You become aware of such act and You pay any additional premium resulting from Hollard assuming any additional hazard.

## MEMORANDA

### 1. REINSTATEMENT

The basis upon which the amount payable will be calculated following an insured event to buildings, plant and machinery will be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than such insured property when new, provided that:

- a) the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to Your requirements subject to the liability of Hollard not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section will be made;
- b) Hollard will not be liable for any payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section, until expenditure has been incurred by You in replacing or reinstating the lost or damaged insured property;
- c) if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if Your whole property had been lost or damaged exceeds the sum insured thereon on the occurrence of an insured event, You will be considered Your own insurer for the difference and will bear a rateable share of loss accordingly. Each item, if more than one, to which this memorandum applies will be separately subject to this provision;
- d) this memorandum will not apply if:
  - (i) You fail to intimate to Hollard within six months of the insured event or such further time as Hollard may allow in writing Your intention to replace or reinstate the lost or damaged insured property;
  - (ii) You are unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

## **2. FIRST LOSS AVERAGE**

If, at the time of any loss or damage arising, the total value of the property described by each item does not exceed the sums stated in the schedule then this insurance will be declared free of average, but if the total value of such property will be greater than the aforementioned sums, You will be considered as being Your own insurer for the difference and Hollard will be liable only for such proportion of the first loss sum insured as the aforementioned sums will bear to the total value not exceeding in all the total sum insured by each item.

## **POWER SURGE**

The cover provided by this section is extended to include damage to Your property caused by power surge following a non-deliberate power outage which is not already covered by an existing peril in any other section of this policy.

# Office Contents

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINED EVENTS

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

## DEFINITION

Electronic data processing equipment is limited to computers and all related hardware, peripherals and computer software and the information or data stored therein or thereon.

## SUB-SECTION A CONTENTS

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow excluding loss of or damage to property arising from its undergoing any process necessarily involving the use or application of water.
3. Earthquake but excluding loss of or damage to property in the underground workings of any mine.
4. Aircraft and other aerial devices or articles dropped from them.
5. 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.
6. Accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.
7. Theft accompanied by forcible and violent entry into or exit from the office or any attempt thereat or as a result of theft (or any attempt thereat) following violence or threat of violence.

## LIMITATIONS CLAUSE

Hollard's liability under this sub-section is restricted in respect of documents, manuscripts, business books, plans, designs, patterns, models and moulds to the value of materials and sums expended in labour.

## SPECIFIC CONDITIONS

### AVERAGE

(not applicable to peril 6 above or to the theft by forcible entry extensions)

If the property insured is, at the commencement of any loss or damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, You will be considered as being Your own insurer for the difference and will bear a rateable share of the loss or damage accordingly. Each item of the schedule covering such property will be separately subject to this condition.

### SPECIFIC EXCEPTION

(applicable to sub-section A)

This sub-section does not cover:

- a) property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi;
- b) designs, patterns, models or moulds (except to the extent that the said articles are insured in terms of subsection A), stock in trade, samples, motor vehicles and accessories therefor, money, securities, stamps, jewellery or precious stones;
- c) the first 10% of the indemnifiable amount or R1 500 whichever is greater if the loss or damage is due to power surges or lightning strikes;
- d) theft or attempted theft by any principal, partner, director or employee of Yours.

### DEFINITION

The term **money** will mean:

Current coin, bank notes, currency notes, cheques, travellers cheques, credit card sales vouchers, negotiable securities, postal orders, money orders, unused postage and revenue stamps, public transport or private transport tickets vouchers (excluding airline transport), cards, bridge or highway tokens, car wash tokens, phone cards and stored value or similar type cards, and includes cash boxes, alarm bags or any other portable container used to convey money, all belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of, or carried by, professional money carriers, banks or professional carriers or common carriers.

## SUB-SECTION B RENT

Loss of rent actually incurred by You in consequence of the office premises or portion thereof being so damaged by any of the perils specified in sub-section A as to be rendered uninhabitable, but only in respect of the period necessary for reinstatement. The indemnity under this sub-section will not exceed 30% of the sum insured or value (whichever is the lower) of all contents of the office premises affected.

For the purpose of this sub-section, the term "office premises" will be deemed to extend to any premises or portion thereof in the vicinity of the office premises, damage to which prevents or limits access to the office premises.

## SUB-SECTION C DOCUMENTS

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

### DEFINITION

The term **documents** will mean:

films, tapes, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates, documents and similar written, printed or otherwise inscribed papers and documents used by You in the business and owned by You or for which You are responsible **excluding** money, current postage or revenue stamps, cancelled and uncanceled coupons, securities, bearer bonds, cheques, drafts and any written order to pay a sum certain in money and any written evidence of indebtedness

or obligation and all property carried or held as samples or for sale or for delivery after sale and computer software

and computer data carrying media unless otherwise stated in the schedule.

### DEFINITION

The term **money** will mean:

Current coin, bank notes, currency notes, cheques, travellers cheques, credit card sales vouchers, negotiable securities, postal orders, money orders, unused postage and revenue stamps, public transport or private transport tickets vouchers (excluding airline transport), cards, bridge or highway tokens, car wash tokens, phone cards and stored value or similar type cards, and includes cash boxes, alarm bags or any other portable container used to convey money, all belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of, or carried by, professional money carriers, banks or professional carriers or common carriers.

### LIMITATIONS CLAUSE

Hollard's liability under this sub-section is limited to all costs, charges and expenses incurred by You in replacing or restoring such documents up to an amount of R100 000.

### SPECIFIC EXCEPTION (APPLICABLE TO SUB-SECTION C)

This sub-section does not cover:

- a) loss or damage caused by:
  - (i) electric or electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings except by lightning in which case the lightning loss or indemnifiable amount will be reduced by the greater of 10% of such amount and R1 500;
  - (ii) vermin or inherent defect or by processing, copying or other work upon the documents;
  - (iii) the dishonesty of any principal, partner or director of Yours whether acting alone or in collusion with others. This exception will not apply to any director who is also an employee of Yours and whom You have the right at all times to govern, control and direct in the performance of his work in Your service and in the course of the business;

- b) gradual deterioration or wear and tear;
- c) costs involved in reshooting films and videos and rerecording audio tapes.

## **SUB-SECTION D LEGAL LIABILITY DOCUMENTS**

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

### **SPECIFIC EXCEPTION (APPLICABLE TO SUB-SECTION D)**

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

In respect to sub-section D only, General exception 1 is deleted and replaced by the following:

This sub-section does not cover loss, damage, liability or expenditure directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether was be declared or not) civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

## **SUB-SECTION E INCREASE IN COST OF WORKING**

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

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

## **CLAUSES AND EXTENSIONS**

### **ALTERATIONS AND MISDESCRIPTION CLAUSE**

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

### **CAPITAL ADDITIONS CLAUSE**

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

### **FIRE EXTINGUISHING CHARGES CLAUSE**

Any costs relating to the extinguishing of fighting of fire will be deemed to be damage to the insured property and will be payable in addition to any other payment for which Hollard may be liable in terms of this section, provided You are legally liable for such costs and the insured property was in danger from fire.

Costs and expenses, including wages of Your employees, necessarily and reasonably incurred:

- a) 1. in extinguishing fire at or in the vicinity of, and threatening to involve; or
- 2. in preventing or diminishing imminent damage to; or
- 3. in gaining access consequent upon damage to, the property insured.
- b) in the replenishment of firefighting appliances and apparatus after an insured loss.
- c) for the purpose of shutting off the supply of water or other substances that are accidentally discharged from any fire protective equipment or otherwise.
- d) in the removal of debris from the Site by fire brigade services.
- e) for which You are liable under any fire brigade law or similar legislation following circumstances described in a) above.

Payment under this extension is not dependent on damage to property insured.

### **LOCKS AND KEYS CLAUSE**

In addition to the limit of indemnity stated in the schedule, Hollard will indemnify You in respect of the cost of replacing locks and keys to any insured office premises following upon the disappearance of any key to such premises or following upon You having reason to believe that any unauthorised person may be in possession of a duplicate of such key.

Provided that:

- (i) Hollard's liability will not exceed R2 000 in respect of any one event;
- (ii) Hollard will not be liable for the first R200 of each and every event.

### **MALICIOUS DAMAGE EXTENSION**

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

1. movable property which is:
  - a) stolen;
  - b) damaged in an attempt to remove it or part of it from any premises owned or occupied by You;
2. movable or immovable property which is damaged by thieves while breaking into or out of or attempting to break into or out of any premises owned or occupied by You;
3. immovable property owned or occupied by You occasioned by or through or in consequence of:
  - a) the removal or partial removal or any attempt thereof;
  - b) the demolition or partial demolition or any attempt thereof;

the said immovable property or any part thereof with the intention of stealing any part thereof.

Provided that this extension does not cover:

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

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

If any building insured or containing Your property becomes unoccupied for 30 consecutive days, the insurance in respect of this extension is suspended as regards the property affected unless You, obtain the written agreement of Hollard to continue this extension, before the occurrence of any damage.

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

### **NEW AND ADDITIONAL PREMISES CLAUSE**

If You occupy offices or consulting rooms other than those situated as stated in the schedule in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi, the insurance by this section will apply as though such offices or consulting rooms were office premises within the meaning of this section.

Provided that

- (i) You will, within a reasonable time of taking occupation, advise Hollard thereof and pay additional premium calculated pro rata from the time of taking occupation until the end of the then current period of insurance;
- (ii) this clause will not apply to any loss if and so far as the same is otherwise insured;
- (iii) Hollard will not be liable for the first R100 of each and every event or as stated in the schedule whichever is greater.

### **REMOVAL OF DEBRIS CLAUSE**

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

Hollard will not pay for any costs or expenses:

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

### **REPLACEMENT VALUE CONDITION**

The basis upon which the amount payable for a claim in respect of contents is calculated will be either the replacement of the contents by similar property in a condition equal to but not better or more extensive than its condition when new;

or

the repair of the contents to a condition substantially the same as but not better than its condition when new provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the contents had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the time of the loss or damage, then You will be considered as being your own insurer for the difference and will bear a rateable proportion of the loss accordingly.

### **RIOT AND STRIKE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, sub-sections A, B and C of this section are 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, damage, cost or expense directly or indirectly arising from dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities;
- 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 Hollard alleges that, by reason of proviso a), b), c), d) or e), loss or damage is not covered by this section, the burden of proving the contrary will rest on You.

### **TEMPORARY REMOVAL CLAUSE**

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

### **TEMPORARY REPAIRS AND MEASURES AFTER LOSS CLAUSE**

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

### **TENANT'S CLAUSE**

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

## **SPECIAL CONDITIONS AND ENDORSEMENTS**

### **BURGLAR ALARM WARRANTY**

In respect of any premises stated in the Schedule to be subject to this Condition that a burglar alarm shall be installed, it is a condition precedent to the liability of the Company and warranted that:

- a) the burglar alarm installed at the protected premises shall be fully activated whenever the protected premises is/are not open for normal business unless any principal, partner, director or employee is in the protected premises;
- b) the insurance shall not cover loss of or damage to property following the use of keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the Insured unless such keys, keypad code or remote control were obtained by theft.

Unless specifically stated to the contrary, all premises shall be protected by such alarm and it is further warranted that:

- (i) the contract for any burglar alarm services shall include services of a 24 hour armed response unit;
- (ii) the control panel shall have an event log and the arming and disarming of the alarm shall be logged and after the occurrence of a claim the insurers will be entitled to request full information of the relevant log;
- (iii) such alarm will be maintained in proper working order but the Insured shall be deemed to have discharged their liability if they have maintained their obligations under a maintenance contract with the installation/ service Company of the alarm system.

PROVIDED THAT:

cover will continue to be applicable whilst the alarm system is not operative due to a failure of the public supply of electricity at the terminal ends of the supply authority's service feeders and that such failure is not due to any act or omission of the Insured.

**SURGE ARRESTORS: (ELECTRONIC EQUIPMENT)**

No indemnity for loss of or damage to electronic equipment arising from lightning or power surge will be provided unless surge arrestors are installed on the insured premises on all data lines, power supplies and to electronic distribution boards.

All loss or damage to the property insured by power surges or lightning strikes will be subject to an additional deductible of 10% of the net amount payable for the items so damaged subject to a minimum of R500 each and every claim. However should the property insured be appropriately protected by Power Surge arrestors or suitable safeguards against electrical supply fluctuations, then this additional deductible will be waived.

# Money

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINED EVENTS

Loss of or damage to money (as defined) occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe, Mozambique and Malawi except if otherwise specified.

Provided that the liability of Hollard for all loss or damage arising from all occurrences of a series consequent upon or attributable to one source or original cause will not exceed the specific limitations stated in the schedule.

## DEFINITIONS

**Money** will mean current coin, bank notes, currency notes, cheques, travellers cheques, credit card sales vouchers, negotiable securities, postal orders, money orders, unused postage and revenue stamps, public transport or private transport tickets vouchers (excluding airline transport), cards, bridge or highway tokens, car wash tokens, phone cards and stored value or similar type cards, and includes cash boxes, alarm bags or any other portable container used to convey money, all belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of, or carried by, professional money carriers, banks or professional carriers or common.

**Receptacle** will mean any safe, strongroom, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

**Clothing** will mean clothing and personal effects not otherwise insured belonging to You or to any principal, partner, director or employee of Yours.

## EXTENSIONS

### 1. 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;
- 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, damage, cost or expense directly or indirectly arising from dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities;
- 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 such occurrence.

If Hollard 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 will rest on You.

### 2. SKELETON KEYS

The insurance under this section extends to cover loss of or damage to the property insured caused or accompanied by entry to receptacles by use of a skeleton key or other similar device (excluding a duplicate key) provided that You will establish to the satisfaction of Hollard that a skeleton key or device was used.

**3. PERSONAL ACCIDENT (ASSAULT) EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

The term “defined events” in the money section will be deemed to include bodily injury, caused by accidental, violent external and visible means as a result of theft, or any attempt thereat, to You or to any principal, partner, director or employee of Yours (hereinafter in this extension referred to as such person) while such person is acting in the course of his duties in Your employ.

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

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

	Percentage of capital sum
a) loss by physical separation at or above the wrist or ankle of one or more limbs .....	100
b) permanent and total loss of	
whole eye .....	100
sight of eye .....	100
sight of eye except perception of light .....	75
c) permanent and total loss of hearing	
both ears .....	100
one ear .....	25
d) permanent and total loss of speech .....	100
e) injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training .....	100
f) loss of four fingers.....	70
g) loss of thumb	
both phalanges .....	25
one phalanx.....	10
h) loss of index finger	
three phalanges .....	10
both phalanges .....	08
one phalanx.....	04
i) loss of middle finger	
three phalanges .....	06
both phalanges .....	04
one phalanx.....	02
j) loss of ring finger	
three phalanges .....	05
both phalanges .....	04
one phalanx.....	02
k) loss of little finger	
three phalanges .....	04
both phalanges .....	03
one phalanx.....	02
l) loss of metacarpals	
first or second (additional).....	03
third, fourth or fifth (additional).....	02
m) loss of toes	
all on one foot.....	30
great, both phalanges .....	05
great, one phalanx .....	02
other than great, if more than one toe lost, each .....	02
  
3. In the case of total and absolute incapacity from following usual business or occupation the weekly sum specified in the schedule will be payable.
  
4. The reasonable expenses incurred, up to the sum specified in the schedule, will be payable in respect of medical, surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) incurred within 24 months of the defined event.

### MEMORANDA (APPLICABLE TO PERMANENT DISABLEMENT BENEFITS)

- a) Where the injury is not specified Hollard will pay such sum as in Hollard's opinion is consistent with the above provisions.
- b) Permanent total loss of use of part of the body will be considered as loss of such part.
- c) 100% will be the maximum percentage of compensation payable for disability resulting from an accident or series of accidents arising from one cause in respect of any such person.

Provided that:

- (i) Hollard will 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;
- (ii) the sum specified under item 3 will be payable only for the duration of the incapacity of such person and will not be payable for more than 104 weeks and such payment will cease as soon as the injury causing the incapacity has healed as far as is reasonably possible notwithstanding that permanent disability may remain;
- (iii) compensation payable under item 4 will be reduced by an amount equal to the compensation received or receivable under any workmen's compensation enactment in respect of any treatment for which compensation is payable under item 4;
- (iv) this extension will not apply to any such person under 18 or over 75 years of age;
- (v) after suffering bodily injury for which benefit may be payable under this extension, such person will submit to medical examination and undergo any treatment specified. Hollard will not be liable to make any payment unless this proviso is complied with to its satisfaction;
- (vi) general exception 3 and general conditions 2 and 9 do not apply to this extension;
- (vii) in respect of this extension only general exception 1 is deleted and replaced by the following:

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

### EXTENSIONS TO THE PERSONAL ACCIDENT (ASSAULT) EXTENSION

1. Bodily injury will 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 thereof;
2. In the event of disappearance of any such person in circumstances which satisfy Hollard that he has sustained injury to which this personal accident (assault) extension applies and that such injury has resulted in the death of such person, Hollard will, for the purpose of the insurance afforded by this extension, presume his death provided that if, after Hollard will have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment will forthwith be refunded by You to Hollard.

### SPECIFIC EXCEPTIONS

Hollard will not be liable for loss of or damage to money:

1. arising from dishonesty of any principal, partner, director or person or persons in Your employ not discovered within 14 working days of the occurrence thereof;
2. arising from shortage due to error or omission;
3. arising from the use of keys to any safe or strongroom unless the keys:
  - a) are obtained by violence or threats of violence to any person;
  - b) are used by the keyholder or some other person with the collusion of the keyholder and You can prove to the satisfaction of Hollard that the keyholder or such other person had used the keys to open the safe or strongroom;
4. in an unlocked safe or strongroom while the portion of the premises containing such safe or strongroom is unattended but this exception will not apply if it can be shown to the satisfaction of Hollard that the keyholder to the safe or strongroom deliberately left it unlocked with the intention of allowing the money to be stolen;
5. not contained in a locked safe or strongroom while the portion of the premises containing such money is unattended but this exception will not apply if it can be shown to the satisfaction of Hollard that the person(s) responsible for the money deliberately left it outside the safe or strongroom with the intention of allowing it to be stolen;
6. in any vehicle being used by You unless a principal, partner, director or employee of Yours are actually in such vehicle or, if not in such vehicle, is within 5 metres of it in a position from which the vehicle is clearly visible. This exception will not apply following an accident involving such vehicle rendering the said person incapacitated;
7. while in the custody of any principal, partner, director.

Specific exceptions 3., 4., 5. and 6. do not apply up to an amount of R1 500 and such losses will not be reduced by any Deductible.

### MEMORANDA

1. Loss of or damage to money as insured under this section arising from dishonesty of any principal, partner, director or person in Your employ (such person), as defined under this section, will be subject to the following compulsory Deductible Clause.

The amount payable under the Policy in respect of a Defined Event involving one person or any number of persons acting in Collusion will be reduced by:

- a) 2% of the applicable limit under defined events plus;
  - b) a further amount of 10% of the net amount payable after deduction of the 2% specified in a) above.
2. Hollard will 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 Deductible or co-insured clause under the Commercial Crime section of the policy or any other fidelity insurance.

## SPECIAL CONDITIONS AND ENDORSEMENTS

### HOLD UP LIMITATION

Hollard's liability in respect of losses arising from the use of or threat of violence is restricted to R20 000 for any one event / occurrence.

### MONEY IN TRANSIT WARRANTY

It is warranted that Hollard will not be liable to indemnify You in respect of loss of money:

- a) In transit unless such transit is uninterrupted between Your premises and Your Bank / Building Society;
- b) From any unattended vehicle;
- c) Where such money is in transit and the following precautions are not taken:
  - (i) Money up to R10 000 must be carried by one senior employee or principal;
  - (ii) Money between R10 001 and R20 000 must be carried by two senior employees or principals in a vehicle;
  - (iii) Money in excess of R20 000 must be carried by a professional armed security service organisation.

It is agreed between the parties to this contract that the Security Guard Association employed by You will comply with the Legislated Provisions of the Security Offices Act 1987 (Act no 92 of 1987) as well as the provisions of the current Sectoral Determination promulgated in terms of the Basic Conditions of Employment Act (Act no 75 of 1997).

### SPECIAL CONDITIONS APPLICABLE TO MONEY LIMITS

1. Money not contained in a locked safe or strongroom:
  - a) while on the insured premises outside the hours during which Your commercial operations are conducted;
  - b) while in Your residence or that of any partner, director or employee of Yours;
  - c) while in the custody of any collector;
  - d) while in the custody of a partner, director or employee of Yours while away from the insured premises on a business trip anywhere in the world.
2. Money contained in a locked safe or strongroom situated in a building at the insured premises outside the hours during which Your commercial operations are conducted is limited according to the following grading of safe or strongroom:
  - a) no SABS grading R2 500;
  - b) SABS category 1 grading R10 000;

provided that Hollard's liability will not exceed the amount stated in the schedule.

### BURGLAR ALARM CONDITION

In respect of any premises stated in the Schedule to be subject to this Condition that a burglar alarm shall be installed, it is a condition precedent to the liability of the Company and warranted that:

- a) the burglar alarm installed at the protected premises shall be fully activated whenever the protected premises is/are not open for normal business unless any principal, partner, director or employee is in the protected premises;
- b) the insurance shall not cover loss of or damage to property following the use of keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the Insured unless such keys, keypad code or remote control were obtained by theft.

Unless specifically stated to the contrary, all premises shall be protected by such alarm and it is further warranted that:

- (i) the contract for any burglar alarm services shall include services of a 24 hour armed response unit;
- (ii) the control panel shall have an event log and the arming and disarming of the alarm shall be logged and after the occurrence of a claim the insurers will be entitled to request full information of the relevant log;
- (iii) such alarm will be maintained in proper working order but the Insured shall be deemed to have discharged their liability if they have maintained their obligations under a maintenance contract with the installation/ service Company of the alarm system.

PROVIDED THAT:

cover will continue to be applicable whilst the alarm system is not operative due to a failure of the public supply of electricity at the terminal ends of the supply authority's service feeders and that such failure is not due to any act or omission of the Insured.

## SPECIAL CONDITIONS APPLICABLE TO CHEQUES

### DEDUCTIBLE APPLICABLE TO THEFT OF CHEQUES

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

1. Cheques drawn by You:
  - a) the cheque has been drawn and crossed exactly in accordance with the undermentioned "Recommended procedure for drawing and crossing of cheques" or any other superior method approved by Hollard and the printed portion of the cheque (as opposed to the written or typed portion) has been printed by the bank itself or a printer licensed to print cheques by the Automatic Clearing Bureau; or
  - b) the cheque has been dispatched to the payee by certified post or any post where the security is equal or superior to certified post.
2. Cheques drawn by someone other than You and which were received by You by post or directly by the cashier:
  - a) such cheque has been crossed and marked "not negotiable" and marked "not transferable" immediately on receipt thereof by You; and
  - b) You are able to identify the drawer and amount of the cheque from Your records.
3. Cheques of which You are the true owner which were drawn by someone other than You and posted to You but not received:
  - a) the cheque has been drawn and crossed exactly in accordance with the undermentioned "Recommended procedure for drawing and crossing of cheques" or any other superior method approved by Hollard; or
  - b) the cheque was dispatched to You by certified post or any post where security is equal or superior to certified post; or
  - c) Your invoice (to which the payment by cheque relates) contains a message (approved by Hollard) recommending or requiring that the cheque be drawn in accordance with the undermentioned "Recommended procedure for drawing and crossing of cheques".

## RECOMMENDED PROCEDURE FOR DRAWING AND CROSSING OF CHEQUES AND PRINTING OF BLANK CHEQUES

### A. DRAWING AND CROSSING OF CHEQUES

One of the safest methods of drawing and crossing a cheque which is acceptable to banks is as noted hereunder.

This recommended method is:

1. Delete the pre-printed words "or bearer". This limits the possibility of the drawee bank paying out to a bearer who might not be entitled to payment.
2. If instead of "or bearer" Your cheque has pre-printed on it "or order" these words must also be deleted.
3. Write on the face of the cheque the words "not transferable".
4. Cross the cheque by drawing two parallel lines across the cheque.
5. Write the words "not negotiable" between the two parallel lines referred to in 4 above.
6. Ensure that the payee is accurately, properly and fully described. For example where the payee is a company, its full name should be used: RH Jones (Pty) Ltd not just RH Jones.  
Where the bank account number or CC number of the payee is known this should be included after the name of the payee, for example, "RH Jones (Pty) Ltd, Co no: 69/123456" or "RH Jones (Pty) Ltd ABC Bank account no: 123456789".  
While highly recommended it is not compulsory to use the bank account number of the payee.
7. In drawing the cheque no spaces should be left which would allow anyone to add extra words or figures.
8. An example of this method of drawing a cheque is attached as Annexure A.
9. On the front of the cheque the wording listed in Annexure B (last page of this section) should be printed. Please ensure that space is left on the rear of the cheque for bank stamps and endorsements.
10. All the markings on a cheque should be legible and clearly visible. Persons drawing cheques should not use abbreviated or different versions of the terminology used in the example. The words "not neg" and a crossing using a rubber stamp containing a rectangle rather than two parallel lines are worthless.
11. The method used to complete cheques should be one which makes an ink impression on the paper, like handwriting, a typewriter or a dot matrix printer. The ribbon used on the printer / typewriter should be of the type which impregnates the paper with ink. Do not use:
  - (i) old ribbons;
  - (ii) laser printers which do not make an impression into the paper;
  - (iii) the "reverse printing technique";
  - (iv) correctable type ribbons.

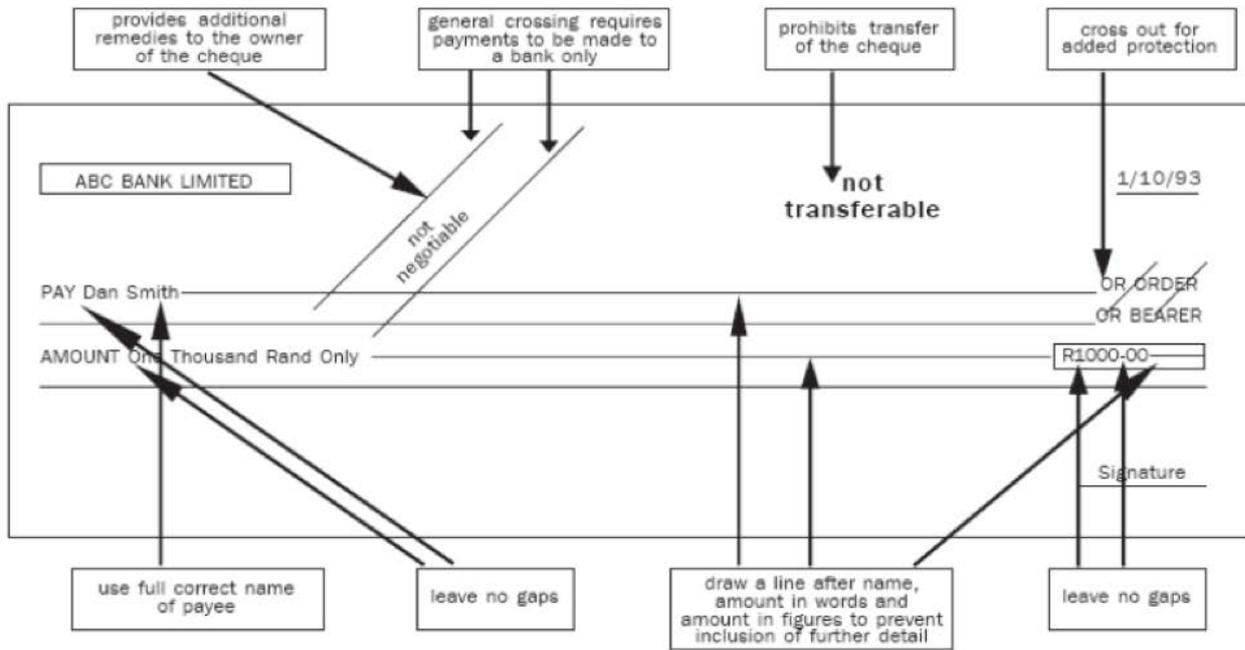
**B. PRINTING OF BLANK CHEQUES**

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

These printers know the recommended requirements of banks and should only use approved:

- (i) security paper (CBS1 or superior);
- (ii) security designs;
- (iii) special security inks compatible with the security paper / design;
- (iv) methods which make it difficult for anyone to make a supply of blank cheques by photocopying the originals.

**ANNEXURE A - SAIA RECOMMENDED CHEQUE**



**ANNEXURE B - SAIA RECOMMENDED CHEQUE**

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

**WARNING**

encashing this cheque or receiving it in exchange for any consideration.

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

cheque is crossed and marked "not negotiable" and "not transferable".

# Commercial Crime Insurance

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

In consideration of the payment of the premium as specified in the General Exceptions Conditions and Provisions, Hollard agrees to indemnify You in respect of Defined Events occurring subsequent to the Retroactive Date stated in the schedule and discovered by You during the Period of Insurance.

## DEFINED EVENTS

- a) **Employee Theft:**  
Loss sustained by You, arising directly from Theft committed by an Employee, whether acting alone or in Collusion with others.
- b) **Employee Fraud or Dishonesty:**  
Loss sustained by You, arising directly from fraud or dishonesty of an Employee with the intent to cause You a Loss, whether acting alone or in Collusion with others.
- c) **Third Party Computer Fraud:**  
Loss sustained by You, arising directly from Computer Fraud committed by a Third Party, with the intent to cause You a Loss.

## PROVIDED THAT IN RESPECT OF ALL OF THE DEFINED EVENTS

- a) The renewal of this insurance from period to period or any extension of any period of insurance will not have the effect of accumulating or increasing the liability of Hollard beyond the Sum Insured stated in the schedule.
- b) This insurance will operate on an each and every occurrence basis and the liability of Hollard for all Losses arising from one occurrence will not exceed the Sum Insured stated in the schedule, whether involving any one Employee or Third Party or any number of Employees or Third Parties acting in Collusion or independently of each other.
- c) If a valid claim under the Policy falls to be dealt with under more than one Defined Event, the Sums Insured will not be aggregated and Hollard will not be obligated to pay more than the Sum Insured as stated in the schedule.
- d) All acts committed by any one person or in which such person is involved or implicated will be considered one occurrence, and also any claim or series of claims arising out of or based upon or attributable to continuous, repeated or related acts will be considered one occurrence. Each and every occurrence which falls to be dealt with under this insurance will attract one Deductible as stated in the schedule.

## EXTENSIONS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

### 1. CLAIMS PREPARATION COSTS

In addition to the Sum Insured stated in the schedule, the insurance under the Policy is extended to include costs reasonably incurred by You, with the prior written consent of Hollard, in producing and certifying any particulars or details required by Hollard in terms of Condition 8 or to substantiate the amount of any claim, provided that –

- (i) notwithstanding anything to the contrary contained in this Policy, Hollard's liability to make payment in respect of such costs will only arise in the event that the amount of the Loss exceeds the Deductible that You are required to pay in respect of any claim for Loss under this Policy;
- (ii) the liability of Hollard for such costs in respect of any one occurrence will not exceed the Amount stated in the schedule.

### 2. LEGAL FEES

In addition to the Sum Insured stated in the schedule, the insurance under the Policy is extended to include reasonable legal fees, costs and expenses incurred and paid by You in the defence of any demand, claim, summons or legal proceeding which You establishes results directly from a Loss which falls to be dealt with and is covered under this Policy, provided that –

- (i) notwithstanding anything to the contrary contained in this Policy, Hollard's liability to make payment in respect of such fees, costs and expenses will only arise in the event that the amount of the Loss exceeds (or allegedly exceeds) the Deductible that You are required to pay in respect of any claim for Loss under this Policy;
- (ii) if the amount of the Loss exceeds (or allegedly exceeds) the Sum Insured, then Hollard will only be liable for the proportion of such fees, costs and expenses that the Sum Insured bears to the total amount of the Loss.

### 3. ACCOUNTS CLAUSE

Any particulars or details contained in Your books of account or other business books documents or systems which may be required by Hollard for the purpose of investigating or verifying any claim hereunder may be produced and certified by Your auditors or professional accountants and their certificate will be prima facie evidence of the particulars and details to which it relates.

#### 4. UNIDENTIFIABLE EMPLOYEES

If a Loss is alleged to have been caused by the fraud or dishonesty of any of the Employees and You will be unable to designate the specific Employee or Employees causing the Loss, Your claim in respect of such Loss will not be invalidated by Your inability to do so, provided that You are able to furnish evidence to prove to the reasonable satisfaction of Hollard that the Loss was in fact due to the Theft, fraud or dishonesty of an Employee acting alone or in Collusion with others.

#### 5. EXTORTION EXTENSION

Loss due to the taking by extortion from You of money and / or other property, by intentionally and unlawfully subjecting You or any director, member, partner, trustee or Employee of You, or a relative of any such person, to any threat of physical harm which induces such person to submit to the taking, provided that the person threatened has made every reasonable attempt to report the threat to an associate and to the law enforcement authorities at the earliest reasonable opportunity.

Provided that, this extension will not entitle You to indemnity in respect of any Loss which is Insured or which would be insurable in terms of a Theft or Money or Motor or Marine / Transit Insurance policy or any other more specific insurance covering money or goods.

#### 6. CONTRACTUAL PENALTIES

Loss suffered by You in respect of any penalty legally enforced against You under written contract resulting directly from a Loss covered by this Policy provided that any amount paid by Hollard in respect of such penalties will be construed as part of any related claim for Loss sustained under Defined Events 1, 2 or 3 and will not exceed 10% (ten percent) of the applicable Sum Insured stated in the schedule.

### DEFINITIONS

1. **Collusion** means any circumstance where two or more persons are concerned or implicated together, and materially assist each other, in committing an act which gives rise to a Loss.
2. **Discovered** means immediately when You or any of Your directors, officers, partners, trustees, managers or departmental heads (or equivalent senior person) become aware of any act or fact that gives reasonable grounds to believe that a Loss has been suffered or may be incurred even though the exact amount or details of the Loss may not be known at the time that it is discovered.
3. **Employee** means any natural person whilst in Your regular service and whom You compensate by payment of salary, wages and / or commissions and whom You have the right to govern control and direct the performance of such service.  
**The term Employee will include:**
  - a) part time and temporary Employees performing the duties of an Employee for You and provided by an employment and / or recruitment agency under a written contract of supply;
  - b) any director of Yours whilst performing acts within the scope of the usual duties of any Employee;
  - c) any person while hired or seconded from any other party into the service of Yourself and specifically declared to Hollard, whom You have the right at all times to govern control and direct in the performance of work done in the course of Your business;
  - d) any external contractor, such as but not limited to security guards, specifically declared to Hollard, whom You have the right at all times to govern control and direct in the performance of work done in the course of Your business;
  - e) students, volunteers or persons employed by You on youth training or work experience schemes;
  - f) any trustee of Yours, whilst performing acts within the scope of the usual duties of any Employee, of any pension fund, provident fund or benefit fund established by You for the benefit of its Employees.
4. **Loss** means actual and direct financial loss of money, monetary funds, negotiable instruments or corporeal tangible property belonging to You or for which You are responsible.  
**Provided that Loss will not include:**
  - (i) salaries, fees, commissions, bonuses, promotions, profit share, pensions or any other benefits paid or payable by You in the normal course of employment;
  - (ii) a loss arising from the avoidance, breach, cancellation or other termination of a contract, the non-payment or other non-performance by a debtor, the adverse consequences of a business or trade risk or venture or other speculative enterprise or investment, or the provision or receipt of any suretyship or other security.
5. **Theft** means the dishonest appropriation of money, monetary funds or property with the intention to steal.
6. **Third Party** means any party who is not a director, partner, officer, trustee or Employee of You and including any person who is specifically excluded from the definition of Employee as provided for in this Policy.

7. **Computer Fraud** means the fraudulent access to, or the use of, or the disclosure, processing, deletion, insertion, amendment, interception or manipulation of, information data or software or systems of Yours, or of any banking institution holding or controlling or otherwise dealing with money or property of You, or for which You are responsible, which is initiated or implemented or completed electronically by the use of a computer.

**Computer Fraud is extended to mean:**

- a) Fraudulent transfer instructions
- (i) Fraudulent electronic, telegraphic, cable, teletype, telephone or faxed instructions to a financial institution to debit Your transfer account and to transfer, pay or deliver funds from such account, which instructions purport to have been transmitted by You or a person authorised by You, but which have been fraudulently transmitted by another.
  - (ii) Fraudulent written instructions to a financial institution to debit Your transfer account and to transfer, pay or deliver funds from such account through an electronic funds transfer system at specific times or under specific conditions, which written instructions purport to have been duly issued by You but which have been fraudulently issued, forged or altered by another, but specifically excluding any written instructions by means of a bill of exchange or other negotiable instrument.
- b) Electronic data loss
- (i) Malicious alteration or destruction of electronic data or attempt thereat by any person while such data is lawfully within Your computer system or a service provider's system or while recorded upon electronic data, processing media within Your offices, or in the custody of a person designated by You to act as its messenger or carrier or custodian while such electronic data processing media is in transit, provided that You are the true owner of such data or media or are liable for such Loss.
  - (ii) Electronic data processing media being lost, damaged or destroyed as a direct result of robbery, burglary, theft or malicious act while located as in 7 b) (i) above.
  - (iii) Malicious alteration or destruction of electronic computer programs while lawfully stored within Your computer system, provided that You are the true owner of such programs or are legally liable for such alteration or destruction.
- c) Computer virus
- (i) You having transferred or paid or delivered any funds or property, established any credit, debited any account, or given any value, as a direct result of the destruction or attempt thereat of Your electronic data, due to a computer virus caused or introduced by any person while such data is stored within Your computer system or a service provider's computer system.
  - (ii) Destruction of Your electronic data or attempt thereat as a result of a computer virus caused or introduced by any person while such data is located as in 7 c) (i).

Provided that where You are entitled to indemnity in terms of any other policy of insurance covering 7, 7 a) and / or b) and / or c) above, such other insurance will be considered primary and this Policy will only be liable for any loss which exceeds the indemnity provided by such other insurance.

## EXCEPTIONS

Hollard will not be liable to make any payment arising from or relating to or in consequence of the following:

- a) Loss arising from, whether directly or indirectly, from any act committed by any director, partner, principal or member of Yourself, whether acting alone or in Collusion, unless such director, partner, principal or member is deemed to be an Employee as defined by Definition 3 of this Policy.
- b) Loss caused from the time that You have Discovered that an Employee or Third Party, whether acting alone or in Collusion, has committed Theft, fraud, dishonesty or any similar or like act or acts which would give rise to an indemnity under this Policy.
- c) Consequential or indirect loss of any nature, including but by no means limited to any loss of profit suffered by You.
- d) Fines, penalties, taxes or punitive damages of any nature.
- e) Unintentional acts, errors or omissions by You, Your Employees, directors, officers, partners, shareholders or members.
- f) In respect of Defined Events 1 and 2, any Loss arising from or relating to, whether directly or indirectly:
  - (i) any act or acts involving credit agreement, extension of credit, hire purchase agreement, loan, loan transaction, lease or rental agreement, invoice, account, an agreement or acknowledgment or evidence of debt, payments made or withdrawals from any customer account involving items which are not finally paid for any reason; or
  - (ii) any act or acts involving trading or dealing in shares, stocks, equities, bonds, unit trusts, securities, commodities, derivatives, foreign exchange, debentures, or in respect of any of the foregoing any like or similar instrument;  
Unless in respect of such Loss, You can prove that such act or acts were committed by an Employee with the clear and unequivocal intention to cause You a Loss and results in a dishonest personal financial gain for that Employee or any other person or entity, or was committed with the manifest intent or the clear and unequivocal intent to result in a dishonest personal financial gain for the Employee or other person or entity.
- g) Loss of, or arising from the accessing of, any confidential or proprietary information including but not limited to trade secrets, know how, intellectual property including but not limited to patents, copyrights and trademarks, computer programs or customer information.
- h) Loss or damage caused by fire or arising from the malicious, wilful or wanton acts of Employees which are coverable under a fire insurance policy or similar insurance.
- i) Where You are a company, close corporation or partnership and any principal, shareholder, director, member or partner thereof is involved or implicated in the Loss, Hollard will only be liable to the extent of the shareholding, participation, membership or other share of the other principals, shareholders, directors, members or partners of Yourself.

**j) Civil commotion and terrorism exception**

This Policy does not cover loss of or damage directly or indirectly caused by or in any way related to:

1. civil commotion labour disturbances riot strike lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above;
2. war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) or civil war:
  - (i) mutiny military rising military or usurped power martial law or state or siege or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
  - (ii) insurrection rebellion or revolution;
3. any act (whether on behalf of any organisation body or person or group of persons) calculated to:
  - (i) overthrow or influence any State or Government or any provincial local or tribal authority with force or by means of fear terrorism or violence;
  - (ii) bring about loss or damage in order to further any political ethnic, religious social ideological or similar purpose aim objective or cause or to bring about any social ideological or economic change or in protest against any State Government or any provincial local or tribal authority or for the purpose of inspiring fear in the public or any section thereof;
4. any attempt to perform any act referred to in clause c) of this Exception.
5. the act of any lawfully established authority in controlling preventing suppressing or in any way dealing with any occurrence referred to in clauses a), b), c), or d) of this Exception.

If Hollard alleges that by reason of clauses a), b), c), d) or e) of this Exception loss or damage is not covered by this Policy the burden of proving the contrary will rest on You.

## CONDITIONS

### A) COMPULSORY DEDUCTIBLE

The amount payable under the Policy in respect of a Defined Event involving one person or any number of persons acting in Collusion will be reduced by the Deductible stated in the schedule which amount will be borne in full by You and remain uninsured.

### B) MAINTENANCE OF SYSTEMS AND PROCEDURES

You will institute and / or maintain and continue to employ in any material manner all such systems of check and control, accounting and clerical procedures and methods of conducting Your business as has been represented to Hollard in the Proposal Form completed by You or any other information supplied by You to Hollard, but You may:

- (i) change the remuneration and conditions of service of any Employee;
- (ii) make any other changes as are approved beforehand in writing by Your auditors.

### C) APPORTIONMENT OF RECOVERIES

If You sustain any Loss which exceeds the Sum Insured hereunder in respect of such Loss, You will be entitled to all recoveries (except from suretyship insurance reinsurance security or indemnity taken or effected by Hollard or for the amount of any deductible) by whomsoever made on account of such Loss until fully reimbursed, less the actual cost of effecting the same and any remainder will be applied to the reimbursement of Hollard or to You to the extent of any Deductible by You forming part of such recovery.

### D) CLAIMS

#### CLAIMS NOTIFICATION:

On the discovery of any event which may result in a claim under the Policy You will at Your own expense:

- (i) give notice thereof to Hollard as soon as reasonably possible but within a maximum period of 90 (ninety) days 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 Loss and take all practicable steps to discover the guilty party and to recover the stolen property and / or money;
- (iii) as soon as practicable after the event, submit to Hollard full details in writing of any claim and immediately provide Hollard with any summons, notice, writ or other legal process issued against You in connection with the claim;
- (iv) give Hollard such proof, information and sworn declarations as Hollard may require and render all reasonable assistance to Hollard and not, without the prior express written consent of Hollard, make any admission, concession, offer, promise, payment or the like in connection with the claim;
- (v) as soon as practicable following notification but in any event no later than 12 (twelve) months following notification (unless Hollard agrees otherwise in writing), conclusively establish the amount (quantum) and merits and validity of the Loss for the claim notified to Hollard.

### E) PRESCRIPTION PERIOD / TIME BAR

In the event of a claim being rejected by Hollard for any reason, and legal action not being commenced within 24 (twenty four) months after the date of such rejection, Your claim will be time-barred and Hollard will be under no obligation to make any payment in respect of the claim and all benefit afforded under the Policy in respect of such claim will be forfeited.

**F)** If after the payment of a claim in terms of the Policy the property or the subject matter of the claim or any part thereof is located, You will render all assistance in the identification and physical recovery of such property or subject matter if called upon to do so by Hollard, provided that Your reasonable expenses in rendering such assistance will be reimbursed by Hollard. Should You fail to render assistance in terms of this condition when called upon to do so, You will immediately become liable to repay to Hollard all amounts paid in respect of the claim.

**G)** When amounts recoverable from Hollard are delayed pending finalisation of any claim, payments on account may be made to You if required at the discretion of Hollard.

#### **H) VALUATION FOR CLAIMS PURPOSES**

The following will apply in respect of the determination and valuation of any Loss which is the subject of an indemnity under this Policy:

**(i) Securities:**

In no event will Hollard be liable in respect of securities for more than the actual cash value thereof at the close of business on the business day immediately preceding the day on which the Loss was Discovered.

**(ii) Books of Accounts and Records:**

In the case of loss of or damage to property consisting of books of accounts or other records (other than electronic data) used by You in the conduct of Your business, Hollard will be liable under this Policy only if such books or records are actually reproduced and then for not more than the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data which will have been furnished by You in order to reproduce such books or other records.

**(iii) Electronic Data:**

In the event that a Loss as covered under this Policy results in the destruction, erasure or theft of electronic data used by You while such data is stored within Your computer systems, Hollard will be liable under this Policy only if such data is actually reproduced and cover hereunder will only apply to the cost of labour for the actual transcription or copying of data, which will have been furnished by You in order to reproduce such electronic data.

**(iv) Foreign Currency:**

If a foreign currency (currency other than the currency in which this Policy is written) is involved in a Loss sustained by You, the calculation required will be the rate of exchange as offered by Hollard's Bank on the date of such settlement.

**(v) Any other Property:**

Hollard will not be liable in respect of any other property (not covered by the above) for more than the actual cash value thereof at the time of the Loss, or for more than the actual cost of repairing any such property or of replacing same with property or material of like quality and value, provided however that the actual cash value of such other property held by You as a pledge, or as collateral for an advance or loan, will be deemed not to exceed the value of the property as determined and recorded by You when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

#### **I) HOLLARD'S RIGHTS AFTER A LOSS**

**(i)** On the happening of any event in respect of which a claim is or may be made under the Policy, Hollard and every person authorised by Hollard may without thereby incurring any liability and without diminishing the right of Hollard to rely upon any conditions of the Policy, take over and prosecute in Your name for Hollard's own benefit any claim for indemnity and will have full discretion in the conduct of any proceedings and in contesting or settling any such claim.

**(ii)** You will, at the expense of Hollard, do and permit to be done all such things as may be necessary or reasonably required by Hollard for the purpose of enforcing any rights to which Hollard will be or would become subrogated upon indemnification of Yourself, whether such things will be required before or after such indemnification.

**(iii)** Hollard may, at any time following notification of a claim which falls to be dealt with in terms of this Policy, pay over to You any amount (subject at all times to the Sum Insured, any amounts already paid by Hollard during the period of insurance, and Your deductible) for which, in the reasonable opinion of Hollard, the claim can be settled. Upon such payment, Hollard will be relieved of any further liability in respect of the claim and Hollard will relinquish the control of such claim to You.

#### **N) THE INSURANCE CONTRACT AND PROPOSAL FORM**

This Policy together with the schedule and any endorsements issued by Hollard will constitute the entire insurance contract between Hollard and You. The insurance contract will be read together as one document and any word or expression to which a specific meaning has been given in any part thereof will bear such meaning wherever it may appear.

In providing cover to You, Hollard has relied upon the information provided by You in the Proposal Form, and any other information supplied by You or any other person acting on Your behalf. All of the information supplied will form the basis of this insurance contract and will be deemed to have been incorporated into the insurance contract.

**O) REPORTING LOSS TO POLICE AUTHORITIES**

In the event of the Discovery of any Loss resulting from a Defined Event, You may notwithstanding anything to the contrary contained in Condition 8, refrain from reporting the matter to the police but will do so immediately if required in terms of any law or by Hollard.

**P) KNOWLEDGE BY PERSON COMPLETING PROPOSAL FORM**

It is understood and agreed that knowledge of his own fraud or dishonesty or that of others with whom he is in Collusion by the person signing the proposal and questionnaire or giving renewal or other instructions will not prejudice any claim under the Policy.

**Q) INCREASE IN SUM INSURED / DEDUCTIBLE**

If the Sum Insured or Deductible will be increased at any time, such increased amount will apply only to Defined Events Discovered after the date of such increase, unless otherwise agreed by Hollard in writing.

# Employers' Liability

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINED EVENTS

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

## THE LIMIT OF INDEMNITY

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

## TERRITORIAL LIMITS

Anywhere in the world but not in connection with:

- (i) any business carried on by You at or from premises outside; or
- (ii) any contract for the performance of work outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi.

## SPECIFIC EXCEPTIONS

This section does not cover:

- a) liability assumed by You under any contract, undertaking or agreement where such liability would not have attached to You in the absence of such contract, undertaking or agreement;
- b) liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event;
- c) fines, penalties, punitive, exemplary or vindictive damages;
- d) (i) damages in respect of 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 You which are not incurred in and recoverable in the area described in d)(i) above;
- e) any claim arising from an event known to You:
  - (i) which is not reported to Hollard in terms of General condition 6;
  - (ii) prior to inception of this section;
- f) any claim (in the event of cancellation or non-renewal of this section) not first made in writing against You within the 48-month period (or extended period in respect of minors) as specified in Specific condition 2.

## SPECIFIC CONDITIONS

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

3. Any series of claims made against You by one or more than one claimant during any period of insurance consequent upon one event or series of events with one original cause or source will be treated as if they all had first been made against You.
  - a) on the date that the event was reported by You in terms of General condition 6; or
  - b) if You were 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 You.

## EXTENSIONS

### EXTENDED REPORTING OPTION

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

Provided that

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

### 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.

# Machinery Breakdown

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINED EVENTS

Sudden and unforeseen physical damage from any cause not hereinafter excluded to any Machinery described in the Schedule, occurring at the premises and during the Period of Insurance, while such Machinery is:

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

Provided that:

1. Hollard will not be responsible for the cost of any alterations or overhauls carried out on the occasion of a repair or reinstatement;
2. in the case of a claim where loss of or damage is confined to part of a machine or structure;
3. Hollard will be liable only for the value of that part plus the cost of any necessary dismantling and erection for which You are responsible, subject to the limit of indemnity stipulated on the schedule of insurance.

## SPECIAL EXCEPTIONS

This policy does not cover:

1. Damage to the insured machinery by any other cause otherwise insured in terms of the Buildings section of this policy or subsequent dismantling or re-erection.
2. Any cost of replacing, reinstating or making good:
  - a) wear and tear and gradual deterioration, corrosion, erosion, deposit of scale, sludge or other sediment or any other direct consequence of progressive or continuous influence from working or atmospheric or chemical action, rust or scratching of painted or polished surfaces.
3. Damage resulting from:
  - a) experiments, overloads, tests or misapplication of tools;
  - b) expendable parts and tools such as but not limited to valves, tubes, belts, chains, seals, bits, cutters, knives, blades, dies, patterns, rollers, sieves unless caused by external means or in connection with other insured damage;
  - c) foundations and masonry.
4. Damage for which the manufacturer, supplier or lessor is responsible.
5. The amount specified in the Schedule as the Deductible.
6. damage resulting from the failure of and / or the deliberate withholding and / or lack of supplies of water, steam, gas, electricity, fuel or refrigerant.

## SPECIAL CONDITION

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

# Applied Electronics

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## SECTION I – MATERIAL DAMAGE

### THE INDEMNITY CLAUSE

Hollard will indemnify You in respect of Physical Loss of or Damage to the Property Insured described in the schedule from any cause not hereinafter excluded while:

- a) working or at rest;
- b) being dismantled for the purpose of cleaning inspection and overhaul or in the course of these operations themselves or subsequent assembly within Your Premises within the Territorial Limits;
- c) incidentally in transit including loading and unloading or while temporarily stored en route;
- d) temporarily removed from Your Premises to any other location within the Territorial Limits.

### EXCEPTIONS

Hollard will not be liable to indemnify You irrespective of the original cause in respect of:

1. The amount specified in the schedule as the Deductible in respect of each and every occurrence;
2. Loss of the Property Insured by theft or disappearance:
  - a) of the property insured unless accompanied by forcible and violent entry to or exit from the insured premises / situation or of the property insured by theft during transit or whilst temporarily removed from the insured premises unless identifiable by the Insured with a specific incident which has been immediately reported to the police and the Company;  
provided that:
    - (i) Exception 2 a) will not apply to portable equipment;
  - b) from Your Premises or other temporary location unless identifiable by You with a specific incident which has immediately been reported to the Police and as soon as possible to Hollard;
  - c) during transit unless identifiable by You with a specific incident which has been immediately reported to the Police and as soon as possible to Hollard;
  - d) Hollard will not indemnify You for theft or disappearance of the Property Insured from any motor vehicle where the Property Insured has been:
    - (i) left in the motor vehicle overnight unless the vehicle is housed in a securely locked building and entry to or exit from such building is accompanied by forcible and violent means;
    - (ii) contained in a compartment of the motor vehicle which is not visible to passers-by;
    - (iii) left in an unlocked vehicle (i), (ii) and (iii) above will not apply to theft or disappearance of the Property Insured where the transport vehicle:
      - a) has been hi-jacked or stolen (unless left unlocked);
      - b) has been involved in a road accident or sustains a breakdown and due to circumstances beyond the control of the vehicle crew / driver the Property Insured is of necessity left un-protected.
3. Wastage of material or the like or wearing out of any part of the Property Insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration development of poor contacts scratching of painted or polished surfaces.
4. Parts having a short life such as (but not limited to) bulbs, valves, contacts, X-Ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for in this Policy to other parts of the Property Insured Hollard will indemnify You for the residual value prior to the loss of or damage to such exchangeable parts.
5. The cost of reproducing data whether stored or recorded on microchips cards tapes discs or otherwise unless specifically provided for herein.
6. Loss of use of the Property Insured or other consequential loss damage or liability of any nature whatsoever other than losses specifically provided for herein.
7. Loss or damage recoverable under the terms of any Maintenance and / or Leasing Agreement effected by or on Your behalf covering the Insured Property.
8. Goods held in trust or on commission, money, securities, stamps, documents, manuscripts, business books, computer systems, records, patterns, models, moulds, plans or designs unless expressly stated in this Policy.
9. Derangement unless accompanied by physical damage otherwise covered by this Policy.
10. Faults or defects known to You (or Your responsible employees) at the time of arranging this Insurance or during the currency of the Insurance and not disclosed to Hollard or any consequences thereof.

## **BASIS OF INDEMNIFICATION**

Hollard reserves the option to repair replace or reinstate any loss or damage indemnifiable by the Policy or pay cash in lieu thereof. The indemnity by this Policy subject always to the Limits of Indemnity defined in the schedule or any specific Limit of Liability contained in the Specification will be the:

### **1. REPAIR REPLACEMENT OR REINSTATEMENT COSTS**

- a) in cases where the damage can be repaired:  
Cost of restoring the damaged property to working order.
- b) in cases where the Property Insured or part thereof is totally lost or destroyed:  
Cost of replacing or reinstating on the same Site New Property of equal performance and / or capacity or if this is impossible its replacement by New Property having the nearest equivalent performance and / or capacity to the Property Insured lost or damaged.  
Provided always that:
  - (i) the work of replacement or reinstatement (which may be carried out upon another Site and in any manner suitable to Your requirements subject to the liability of Hollard not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment exceeding the Market Value of the Property Insured immediately before the loss or damage will be made;
  - (ii) until expenditure has been incurred by You in replacing or reinstating the Property Hollard will not be liable for any payment in excess of the amount which would have been payable if these Conditions had not been incorporated herein;
  - (iii) these Conditions will be without force or effect if:
    - a) You fail to intimate to Hollard within six (6) months of the date of damage or such further time as Hollard may in writing allow its intention to replace or reinstate the Property;
    - b) You are unable or unwilling to replace or reinstate the Property on the same or another Site;
    - c) dismantling re-erection and transportation costs including importation duties and Value Added Tax if incurred all necessarily and reasonably incurred.

#### **Definition of Market Value**

The current day purchase price of second-hand / used Property of equal performance and / or capacity to the Property Insured lost or damaged and substantially of similar condition. Where no similar property is available Market Value will be calculated by deducting from the current New Replacement Value of the nearest equivalent property to the Property Insured an amount representing:

- (i) 20% (twenty percent) for the first year after the date of purchase; AND
- (ii) 10% (ten percent) per year for each succeeding year subject always to a minimum indemnity of 40% (forty percent) of the current New Replacement Value of the nearest equivalent property available.

### **2. AVERAGE PROVISION**

If at the time of indemnifiable loss or damage the Sum representing the Installed New Replacement Value of the Property Insured exceeds the Sum Insured by the Policy then You will be considered as being Your own Insurer for the difference and will bear a rateable proportion of the loss accordingly.

### **3. ESCALATION DURING THE PERIOD OF REINSTATEMENT**

In the event of the Installed New Replacement Value of the Property Insured during any Period of Reinstatement of indemnifiable loss or damage exceeding the Policy Sum Insured (being the Installed New Replacement Value at the time of the loss or damage) the said Sum Insured will be deemed to be increased by an Amount not exceeding the Percentage stated in the schedule for Escalation subject always to You paying the appropriate Additional Premium.

### **4. ADDITIONAL COSTS**

Subject always to the Limit of Indemnity in respect of the Property Insured which has been the subject of the Claim:

- a) **Demolition and Removal of Debris Costs:**  
Costs incurred by You in respect of dismantling demolition clearance or removal of debris or wreck of the Property Insured and the providing erecting and maintaining hoarding and other similar structures required following upon any indemnifiable event covered by this Policy.
- b) **Expediting Costs:**  
Cost of express delivery (including airfreight charges) overtime work night work or work on public holidays subject always to a limit of 50% (fifty percent) of the Amount which the repair replacement or reinstatement would have cost had such additional expenses not been incurred.
- c) **Fire Fighting Costs:**  
Fire Brigade charges and the cost of restoring fire extinguishing equipment incurred as a direct result of extinguishing or fighting of fire in respect of the Property Insured.

d) **Professional Fees:**

Engineers and other Professional Consultants Fees incurred for the reinstatement of loss or damage subject always to the Scale of Rates / Fees recommended by the appropriate Professional Body but excluding Fees incurred in the preparation of any Claim.

e) **Plans Scrutiny Fees:**

The indemnity by this Policy will include Plans Scrutiny Fees as may be levied by the responsible Public Authority incurred directly in the repair replacement or reinstatement of the Property Insured all necessarily and reasonably incurred.

**5. PARTIAL LOSSES**

Where the loss or damage is restricted to a part or parts of the Property Insured Hollard will in no event be liable for an amount greater than the Value of such part or parts.

**6. ADDITIONS ALTERATIONS IMPROVEMENTS**

Costs of additions alterations improvements and overhauls carried out on the occasion of a repair are payable by You.

**7. TEMPORARY REPAIRS**

If a temporary repair is carried out without Hollard's consent the cost thereof and all consequences arising therefrom will be borne by You unless such temporary repairs constitute a part of the final repairs to be carried out and do not increase the total repair cost.

**8. POWER SURGE**

The cover is extended to include damage to Your property caused by power surges that do not result from an existing insured peril Provided that Hollard's liability does not exceed R50 000.

There will be no indemnity for loss of or damage to electronic equipment arising from lightning or power surge will be provided unless surge arrestors are installed on the insured premises on all data lines, power supplies and to electronic distribution boards.

All loss or damage to the property insured by power surges or lightning strikes will be subject to an additional deductible of 10% of the net amount payable for the items so damaged subject to a minimum of R1 500 but not exceeding R3 000 each and every claim. However should the property insured be appropriately protected by Power Surge arrestors or suitable safeguards against electrical supply fluctuations, then this additional deductible will be waived.

**9. REMOTE BLOCKING**

If You can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence will be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of the cab or boot of the vehicle. Cover in this instance will be limited to R25 000 or the amount stated in the schedule whichever is lesser.

**10. NON-FORBICIBLE AND VIOLENT ENTRY INTO VEHICLE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

Exception 2c) will not apply to goods in the cab or boot of the vehicle where You maintain that the vehicle was locked but no evidence of forcible and violent entry or exit from the vehicle exists, provided that:

a) The police case number is supplied to Hollard;

b) This extension will only apply to property that is separately and individually specified in the schedule;

After the deduction of the Deductible specified in the schedule, the liability of Hollard is further restricted to 50% of the claim or R10 000 whichever is less, in respect of any one event.

**MEMORANDA**

**MEMO 1 – CAPITAL ADDITIONS AND CURRENCY FLUCTUATIONS**

The indemnity by this Policy will include:

(i) additional Property of a like nature to that specified in the schedule as the Property Insured installed at Your Premises;

(ii) provision for Devaluation or Revaluation of the South African currency against the currency of the Country of origin of the Property Insured and other inflationary trends which may result in the escalation of the Sum Insured (representing the Installed New Replacement Value) of the Property Insured.

Provided always that:

a) cover in respect of additional Property installed will not attach until commissioning of such property has been satisfactorily completed at the Your Premises;

b) the Sum Insured in respect of additional Property will not exceed the Percentage stated in the schedule for Capital Additions

c) the Escalation in the Sum Insured of the Property Insured will not exceed the Percentage specified in the schedule for Currency Fluctuations;

d) the Provisions of this Memorandum will only apply to the extent that You have complied with the Declaration Procedure detailed in Memo 2.

#### **MEMO 2 – DECLARATION PROCEDURE AND PREMIUM ADJUSTMENT**

1. At the expiry of each Period of Insurance You will submit to Hollard a Revised schedule of Property Insured which will take into account all additions deletions extensions and modifications to the Property Insured. This Declaration will also reflect the Installed New Replacement Value of the Property Insured;
2. The Premium charged at the commencement of each Period of Insurance will be regarded as a Deposit Premium. The Premium will be recalculated at the end of the Period of Insurance based on Your declaration outlined in a) above and if the ascertained Premium at the agreed Rate(s) exceeds or falls short;
3. Of the Deposit Premium paid You will pay or Hollard will refund the difference as the case may be but not exceeding 50% (fifty percent) of such difference;
4. The Deposit Premium for each renewal of the Period of Insurance will be based on the declaration for the previous Period of Insurance as outlined in a) above.

#### **MEMO 3 – TENANTS CLAUSE**

The indemnity provided by this Section will not be invalidated by any act or negligence on the part of the Tenant (where You own the Premises) or another Tenant or the Owner of the Premises (where You are a Tenant) provided You will notify Hollard as soon as such act or neglect comes to Your knowledge.

#### **MEMO 4 – LAPTOP AND PALMTOP COMPUTERS**

Notwithstanding anything contained to the contrary in the Policy the Territorial Limits in respect of Laptop and Palmtop Computers temporarily located outside of the Territorial Limits specified in the Policy will be Worldwide.

## **SECTION II – CONSEQUENTIAL LOSS**

### **THE INDEMNITY CLAUSE**

The indemnity by this Section will include:

#### **ITEM 1 – INCREASED COST OF WORKING**

The Insurance under this Item is limited to the additional expenditure necessarily and reasonably incurred You during the Indemnity Period in consequence of the Accident for the sole purpose of avoiding or diminishing the interruption of or interference with Your normal Business less any Sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business as may cease or be reduced in consequence of the Accident up to R20 000 per event.

The indemnity by this Item will not apply directly or indirectly to:

- a) the Cover provided for in Item II or III of this Section of this Section of the Policy;
- b) the Intrinsic Value (including Reinstatement Value) of the Property Insured by Section I of this Section of the Policy;
- c) the first 24 hours following the event;
- d) for a period longer than 3 months from the date of occurrence.

#### **ITEM II – RECONSTRUCTION OF DATA / PROGRAMS**

Costs and expenses necessarily and reasonably incurred by You for the reconstitution or recompilation of Data and / or Programs recorded on or stored in data carrying media which is lost as a result of accidental erasure (which will include the events defined in the Indemnity Clause to Section I of this Section of the Policy) or by theft or by the deliberate or wilful or wanton intention of causing the cancellation or corruption of data or programs as provided for in Section I of this Section of the Policy.

provided always that:

- a) the Indemnity will not extend to nor include such costs incurred due to program errors incorrect entry or the inadvertent cancellation or corruption of Data and / or Programs;
- b) in respect of each and every occurrence or series of occurrences arising out of or in connection with any one event indemnifiable by this Item You will bear the amount detailed in the schedule as the Deductible;
- c) where You elect to insure programs (software) a schedule of such programs will be lodged with Hollard at the commencement of each Period of Insurance.

#### **ITEM III – CLAIMS PREPARATION COSTS AND EXPENSES**

All costs and expenses which You will incur in producing and certifying any particulars and details required by Hollard under the Terms and Conditions of this Policy.

This Item will apply cumulatively to Section I and Section II

## DEFINITIONS

### INDEMNITY PERIOD

The Period during which the Results of the Business will be affected in consequence of the Accident beginning the number of hours / days detailed in the schedule as the Time Exclusion after the occurrence of the Accident and ending not later than the expiry of the Period detailed in the schedule as the Indemnity Period after such occurrence.

### ACCIDENT

1. Physical loss or damage to the Property Insured or other Equipment described in the schedule from any cause as provided under Section I of this Policy liability under which Section will except for the Provisions of Exceptions 1 and 6 be a condition precedent to liability hereunder.
2. Failure of the Public Supply of Electricity at the terminal ends of the Service Feeders in the Premises from any accidental cause other than:
  - a) the deliberate act of Yourself or any supply authority;
  - b) drought or shortage or fuel at any electricity utility.

#### Special conditions applicable to failure of the public supply of electricity

- (i) the liability of Hollard will not exceed the Sum(s) Insured by this Section;
- (ii) the Indemnity Period will commence twelve (12) hours after the failure and end no later than thirty (30) days after such failure.

### THE LIMIT OF LIABILITY

Hollard's liability will not exceed the amounts specified in the schedule in respect of any one accident or series of accidents arising out of or in connection with any one event.

In the event of the payment by Hollard of any Sum or Sums in discharge of Hollard's liability in terms of this Policy the Sum(s) Insured will automatically be reinstated for the remainder of the current Period of Insurance.

You will pay to Hollard the Additional Premium required by Hollard calculated pro rata from the day of the accident to the end of the Period of Insurance.

### EXCEPTIONS FOR THIS SECTION OF THE POLICY

- I The General Exceptions of the Policy are restated.
- II The Indemnity by this Policy in terms of all Material Damage and Consequential Loss Sections excludes loss or damage or whatsoever nature relating to or in consequence of the Insured Property / Machinery containing Environmentally Hazardous Substances such as (but not limited to) Refrigeration Insulation and Cooling Media. This Exception also applies to costs of and time taken to modify the Insured Property / Machinery to operate on Environmentally Safe Media.

## GENERAL MEMORANDA

### MEMO 1 – INCOMPATIBILITY COVER

Notwithstanding anything contained to the contrary in the Policy the indemnity by Section I and Section II will indemnify You for costs incurred in respect of:

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

provided always that:

1. The costs provided for in a), b) and c) will be necessarily and reasonably incurred to maintain normal working conditions;
2. such additional costs will be incurred as a direct consequence of indemnifiable loss or damage in terms of Section I or II of this Policy;
3. the cover afforded hereunder will be restricted to:
  - (i) parts or components of the electronic system which are not indemnifiable under Section I hereof;
  - (ii) programs or data reinstatement not indemnifiable under Item II of Section II hereof;
4. the indemnity by this extension will in respect of any one event be limited in the aggregate to 20% (twenty percent) of the applicable total Sum Insured under Section I - The Limit of Indemnity and Section II - Item II hereof or R25 000 whichever is less;
5. this extension of cover only applies if stated in the schedule to be included.

## CONDITIONS

### I – YOUR OBLIGATIONS

1. You will take all necessary steps to ensure that the Property Insured is maintained in good working order and that it is not habitually or intentionally overloaded and that Government and other Regulations relating to the operation of such Property are observed.
2. You will notify Hollard of any faults or defects in the Property Insured known to You during any Period of Insurance covered by the Policy.
3. Notice of any intended alteration to or departure from normal working conditions which affect the risk must be given to Hollard. If Hollard cannot approve such alteration or departure from normal working conditions Hollard may cancel the Insurance in respect of the Property concerned making an appropriate return of Premium.
4. You will allow the duly Authorised Representative of Hollard to examine the Property Insured under the Policy at any reasonable time. If during inspection by an Authorised Representative of Hollard any new facts of a nature likely to render the risk more than usually hazardous are observed You must at the request of Hollard restore the risk to normal within a reasonable time failing which Hollard may suspend Cover in whole or by part until such time as the risk is restored to normal.
5. You will ensure that all firefighting equipment complies with the relevant municipal by-laws. National building regulations and any national legislation that may be applicable. You will also ensure that all firefighting equipment is maintained in a good working condition by a competent service provider.

### II – DUTIES FOLLOWING AN INSURED EVENT

1. On the happening of any event giving rise or likely to give rise to a Claim under this Policy You will:
  - a) as soon as reasonably possible give notification to Hollard;
  - b) exercise all means in Your power to limit the loss to salvage the Insured Items and to ensure their preservation and will 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 with the Business;
  - c) if called upon to do so by Hollard submit a statement in writing of all particulars and details reasonably practicable and furnish all such books of account and other business books, vouchers, invoices, balance sheets and other documents proofs explanations and other evidence as may be reasonably required by Hollard.

If the Claim is fraudulent in any respect or any if any false declaration is made or used in support thereof all benefit under this Policy is forfeited.

2. You may proceed with the repair of the Property Insured provided that Condition III 1 above is complied with, that the carrying out of such repair is without prejudice to any question of liability of Hollard and that any damaged part requiring replacement is kept for inspection by Hollard.

### III – TRANSFER OF INTEREST

No transfer of interest in any Item Insured by this Policy will affect or be binding on Hollard unless notice thereof was given and Hollard's consent was first obtained in writing.

### IV – OTHER INSURANCES

If at the time of any loss or damage covered by this Policy there is any other Insurance effected by or on Your behalf covering the loss or damage or any part thereof the indemnity provided by Hollard will be limited to Hollard's rateable proportion of the loss or damage. If the other Insurance is subject to any condition of advantage to the other Insurers this Policy will be subject to that condition in similar manner.

### V – RECOURSE

Hollard will be entitled to take over and conduct in Your name the defence or settlement of any claim and prosecute in Your name for Your own benefit any claim for indemnity or damages for the purpose of recovering compensation from any Third Party in respect of anything covered by this Policy or otherwise and will have full discretion in the conduct of any proceedings and in the settlement of any claim and You will at Hollard's expense furnish all assistance as may reasonably be required by Hollard in connection with these proceedings.

### VI – TERMINATION OF INSURANCE

Hollard may by giving thirty (30) days' notice in writing to You by registered mail cancel this Policy at any time paying on demand a proportion of the Premium corresponding to the unexpired risk under the Policy. You may likewise terminate this Policy at any time by giving thirty (30) days' notice in writing to Hollard in which event the last premium paid less the customary short period charge will be refunded on demand.

## **VII – ARBITRATION**

If any dispute arises regarding the amount to be paid under this Policy (liability being otherwise admitted) the dispute may be referred to an Arbitrator (or Arbitrators) appointed by the Parties concerned in accordance with the applicable Statutory Provisions in force. The Award by the Arbitrator in Your favour will be a condition precedent to any right of action against Hollard to recover the amount in dispute.

## **VIII – TIME BAR**

1. If Hollard disclaims liability to You for any Claim hereunder and the Claim is not the subject of pending legal action against Hollard within twelve (12) calendar months from the date of the disclaimer of liability, then the Claim will for all purposes be deemed to be abandoned and You will thereafter not be able to recover hereunder.
2. If any dispute arises as to the amount of any loss or damage claimed by You and the Claim is not referred to Arbitration under the provision herein contained within twelve (12) calendar months from the date of such dispute arising then the Claim will for all purposes be deemed to be abandoned and You will not be able thereafter to recover hereunder.

## **SPECIAL CONDITIONS AND ENDORSEMENTS**

### **BURGLAR ALARM CONDITION**

In respect of any premises stated in the Schedule to be subject to this Condition that a burglar alarm shall be installed, it is a condition precedent to the liability of the Company and warranted that:

- a) the burglar alarm installed at the protected premises shall be fully activated whenever the protected premises is/are not open for normal business unless any principal, partner, director or employee is in the protected premises;
- b) the insurance shall not cover loss of or damage to property following the use of keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the Insured unless such keys, keypad code or remote control were obtained by theft.

Unless specifically stated to the contrary, all premises shall be protected by such alarm and it is further warranted that:

- (i) the contract for any burglar alarm services shall include services of a 24 hour armed response unit;
- (ii) the control panel shall have an event log and the arming and disarming of the alarm shall be logged and after the occurrence of a claim the insurers will be entitled to request full information of the relevant log;
- (iii) such alarm will be maintained in proper working order but the Insured shall be deemed to have discharged their liability if they have maintained their obligations under a maintenance contract with the installation/ service Company of the alarm system.

PROVIDED THAT:

cover will continue to be applicable whilst the alarm system is not operative due to a failure of the public supply of electricity at the terminal ends of the supply authority's service feeders and that such failure is not due to any act or omission of the Insured.

# General Motor

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## WHEN YOU ARE INSURED

Hollard will insure You during the Period of Insurance for the cover You have selected. This is on the basis that You have paid or agreed to pay Hollard the premium for the cover You have selected and which the current schedule indicates is in force.

## TYPE OF COVER

There are three types of cover available under this Policy. For each type of cover, the Policy operates as follows:

- a) **Comprehensive** provides cover under:
  - (i) Section 1 – Damage to or theft of Your Vehicle, and
  - (ii) Section 2 – Legal Liability.
- b) **Third Party, Fire and Theft and Hijacking** provides cover under:
  - Section 1 – Damage to or theft of Your Vehicle.  
Hollard will only cover Your Vehicle for:
    - (i) Theft and Hijacking, or
    - (ii) Damage caused by:
      - a) Fire,
      - b) Explosion, or
      - c) Lightning,and
  - Section 2 - Legal Liability.
- c) **Third Party Only** covers you for:
  - Section 2 – Legal Liability.The type of cover for each insured Vehicle will be shown in Your schedule.

## GENERAL DEFINITIONS FOR THIS SECTION

**Agreed Value** means the amount shown in the schedule for which Hollard agrees to cover Your Vehicle and applies to Comprehensive cover of vehicles, trucks, busses, trailers, motorcycles, quads bikes, motor vehicles or station wagons, four wheel drives (4x4 and 4x2 vehicles), light delivery vehicles (LDV), utility vehicles, or other goods carrying Vehicles.

**Deductible** means the amount shown in the schedule You must pay towards every claim for each Vehicle insured by Your Policy

**Dangerous Goods** Means:

- a) Flammable substances with a closed cup flashpoint below 23 degrees Celsius (23°C) ,
- b) Oxidising substances, organic peroxides or substances that emit flammable gases on contact with water,
- c) Toxic, corrosive or infectious substances,
- d) Explosives and radioactive material,

Substances or items classified as dangerous goods in the National Road Traffic Regulations (Chapter VII: Transportation of dangerous goods and substances by road).

**Electronic Data** means facts, concepts and information converted to a form useable for communications, display, distribution, or processing by electronic or electromechanical data processing or electronically controlled equipment.

**Retail Value** - the term "reasonable market value of the vehicle" will be deemed to be the retail value of a vehicle of the same model and year of manufacture, including the value of spare parts and accessories, as described in the Auto Dealers Guide or Commercial Vehicle Guide published by TransUnion Auto Information (Pty) Ltd or the Sum Insured stated in the Schedule whichever is the lesser less the deductible stated in the Schedule and less any amount that You are entitled to claim under any dual insurance and any betterment or depreciation or similar publication for the year and month in which the loss took place.

**Period of Insurance** means the period commencing at the inception date of your insurance shown in the schedule and ending on the expiry date shown in the schedule.

**Personal Effects** means items of clothing or personal belongings normally worn or carried by a person but not including:

- a) Firearms,
- b) Cell phones,
- c) Any kind of portable computer,
- d) Cheques, money, credit or debit cards or negotiable instruments,
- e) Jewellery watches or furs.

**Pollution Hazard** means:

- a) actual, alleged, or threatened:
  - (i) ingestion, inhalation, absorption, release, escape, discharge, dispersal, seepage of, contact with, or exposure to, Pollutants;
  - (ii) subsequent spread, migration, or movement of Pollutants following (i) above;
- b) the costs of cleaning up, containing, treating, detoxifying, neutralising, removing, monitoring of, or testing for, Pollutants and their effects, whether or not these are performed by You or third parties.

**Pollutants** means any solid, liquid, gaseous, or thermal irritants, smoke, vapour, soot, fumes, acids, alkalis, chemicals, waste, or other substances or contaminants, bacteria, moulds or other fungi (including but not limited to mildew or mycotoxins or spores or any other substance or product produced or released by moulds or fungi); which actually or are alleged to adversely affect land, water, atmosphere, property, buildings, other structures, or people, animals, plants, and all other living organisms, or the general environment.

**Private Use** includes:

1. Private car sharing arrangements,
2. Voluntary home and community service,
3. Voluntary transport of school children to and from school activities,

But only if no profit is made from the Vehicle use. If payment is received for the reasonable cost of fuel and maintenance only, Your cover will not be affected.

**Schedule** means the schedule issued by Hollard, which forms part of this Policy and shows Your Policy number, the premium, the type and objects of cover selected by You, and any special terms and any Deductible.

**Software** means programs, applications, procedures, and routines associated with the operation of electronic or electromechanical data processing or electronically controlled equipment, including any operating system.

**Sum Insured** means the insured amount specified in the schedule, or in any other documents forming part of Your Policy, for each of the Vehicles.

**Total Loss** means:

1. Hollard assesses that the likely cost to repair the Vehicle is uneconomical or is greater than 70% of:
  - a) The Agreed Value if Your Vehicle is insured for Agreed Value, or Retail value; or
  - b) The Market Value or Sum Insured, whichever is less, or
2. The Vehicle is stolen and not recovered within 6 weeks.

**Use of Your Vehicle** means use of Your Vehicle:

- (i) In connection with Your business or occupation, or
- (ii) Business Use, including social and domestic use and travel to and from work, or
- (iii) For Private Use.

**Valid Licence** means the appropriate licence required by law to drive or operate the Vehicle. (Valid Licence includes a learner's licence. The driver must be with someone who holds a full licence to drive Your Vehicle, if it is a condition of the licence).

**Vehicle** means the vehicle(s) shown in Your current schedule. Your Vehicle includes:

- a) Standard tools and the manufacturer fitted equipment,
- b) Permanently fitted equipment,
- c) Any additional equipment specifically shown on Your Current Policy schedule,
- d) Permanent business signwriting or artwork on Your vehicle,
- e) Gates, canopies, load covers, tarpaulins, chains, ropes, and winches while attached to or contained within the vehicle.

**Your vehicle does not include:**

- a) Any mobile telephone or direction finding equipment (or part of one) that can be removed and operated away from the vehicle,
- b) Any vehicle materially modified from the manufacturer's original design or standard specifications without Hollard's agreement in writing,
- c) Any vehicle that is loaded illegally or towing illegally, or is unsafe, but only if You should have known about it and only if it is a cause of an accident happening,
- d) Any vehicle forming part of Your stock in trade,
- e) Any vehicle designed to be able to travel anywhere other than on land,
- f) A quadbike or motorcycle.

**Hollard** means Hollard Insurance Company Limited, (Registration No. 1952/003004/06)

**You, Your** means the Person(s) or legal entity named in the schedule.

**Territorial Limits:** The Republic of South Africa, Namibia, Swaziland, Lesotho, Malawi, Zimbabwe, Botswana and Mozambique.

## SECTION 1 – DAMAGE TO OR THEFT OF YOUR VEHICLE

### COVER

Hollard will cover You during the Period of Insurance for Damage to or theft of Your Vehicle shown in the Policy schedule depending on the type of cover You have selected.

### ADDITIONAL BENEFITS

Comprehensive Cover additional benefits

If You have a valid claim under Section 1, the cover is extended to include the following additional benefits for Comprehensive cover only:

#### **1. AUTOMATIC ADDITION**

Hollard will provide Comprehensive cover on Vehicles purchased by You during the Period of Insurance, provided that:

- a) The Vehicle is a motor vehicle or station wagon, four wheel drive (4x4 or 4x2 vehicle), light delivery vehicle (LDV), utility vehicle, or other goods-carrying vehicle that has a carrying capacity not exceeding 2 tons,
- b) The maximum Hollard will pay, in respect of damage to any such vehicle, is the Market Value, the amount You paid for it or R100 000, whichever is the least,
- c) You notify Hollard within 72 hours of purchasing the Vehicle,  
You pay any additional premium required by Hollard.

#### **2. DEBRIS REMOVAL**

Hollard will pay the reasonable cost up to R20 000 for removing Vehicle debris from the accident site.

#### **3. DISABLED DRIVER MODIFICATIONS**

Hollard will pay up to R10 000 for the reasonable costs incurred to modify Your Vehicle, if Your driver is permanently injured in an accident involving Your Vehicle.

#### **4. EMERGENCY REPAIRS**

Hollard will pay up to R5 000 for the reasonable cost of emergency repairs to enable Your Vehicle to be driven safely following loss, destruction or damage.

#### **5. EMERGENCY SERVICES COSTS**

Hollard will pay up to R5 000 for charges lawfully imposed on You by the following authorities, as a result of an accident involving Your Vehicle:

- a) Fire Brigade,
- b) Provincial, governmental or Local Government Emergency Services,
- c) Police.

Hollard will however not pay for any fines imposed on You by these authorities.

#### **6. EMPLOYEES VEHICLES**

Hollard will pay the Market Value up to R50 000 for damage to or theft of Your employee's vehicle, but only if at the time of the loss:

- a) Your employee is using their vehicle in the course of their employment with You, with the permission of both You and the vehicle owner, and
- b) The vehicle is not otherwise insured,
- c) The vehicle is used because Your Vehicle is being repaired or serviced, and
- d) The vehicle fits the definition of Vehicle.

#### **7. FUNERAL EXPENSES**

Hollard will pay up to R5 000 for funeral, burial or cremation expenses in the event of the death of Your driver:

- a) Arising out of an accident involving Your vehicle, and
- b) Occurring within 12 calendar months from the date of the accident.

This additional benefit includes the proved expenses associated with the funeral, burial or cremation. It also extends to include transportation of the body of the deceased person and necessary travel by any member of the deceased person's immediate family.

#### **8. LOSS OF USE EXTENSION (COMPREHENSIVE COVER ONLY) (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

In the event of Hollard being liable to indemnify you for loss or damage to the vehicle insured under section 1 of the Motor section and on condition that the schedule indicates that Loss of Use cover is applicable, Hollard will authorise payment up to the limit stated against the Loss of Use Cover towards those costs reasonably incurred by You for the hire of a vehicle of no more than similar capacity as the insured vehicle, whilst the insured vehicle is repaired or unrecovered following theft / hijack.

This extension is subject to the following provisos:

- a) Compensation will only be payable in respect of private type motor vehicles such as described in definition Vehicle of the Motor Policy wording and commercial vehicles with a carrying capacity not exceeding 2 tons, following:
  - (i) damages to the insured vehicle – from and including the day after which the repair quote is received by Hollard or following authorisation by Hollard or repairs upon assessment of the vehicle, whichever comes first.
  - (ii) theft / hijack of the vehicle – from and including the day after the vehicle is reported to Hollard as being stolen / hijacked
- b) Compensation will not be payable"
  - (i) for any period of time exceeding 30 days
  - (ii) after the date that the insured vehicle is back with You following completion of repairs to the vehicle
  - (iii) after the day that Hollard discharges its liability for the total loss of the vehicle  
whichever comes first.

## 9. FINANCE PAY-OUT

Hollard will pay up to 20% of the Retail Value of your Vehicle or the Sum Insured shown on Your current Policy schedule, whichever is less, toward the discharge of Your obligation under a finance agreement subject to the Sum Insured, if:

- a) Your Vehicle is a motor vehicle or station wagon, four wheel drive (4x4 or 4x2 vehicle), light delivery vehicle (LDV), utility vehicle, motor cycle, scooter, trailer or other goods carrying vehicle, and
- b) Your Vehicle is declared a Total Loss, and
- c) The lease pay-out exceeds the amount payable under the Basis of Loss Settlement.

The amount payable under this additional benefit will be reduced by any:

- (i) Payments and interest in arrears at the time of loss, destruction or damage, or
- (ii) Discounts in respect of finance discharge, including interest for the unexpired term of the agreement.

This additional benefit is not available if Your vehicle is insured for Agreed Value.

## 10. LOAD RECOVERY

Hollard will pay the reasonable cost incurred after an accident up to R5 000 for recovering, reloading or moving to the nearest safe place, any load carried by Your Vehicle.

## 11. PERSONAL EFFECTS

Hollard will pay up to R2 500 for loss, destruction, or damage to Personal Effects belonging to You or Your employees, if they are not otherwise insured, and are:

- a) Lost, stolen, or damaged in an accident involving Your Vehicle, or
- b) Stolen from Your Vehicle while it is securely locked.

## 12. UNAVAILABLE PARTS

If after an insured loss or damage has occurred,

- a) a part, accessory or fitment needed to repair Your vehicle is not available;
- b) the repairers have made every reasonable attempt to obtain the necessary part for at least 60 (sixty) days from the date you made the claim;

Hollard will pay You an amount equal to the value of the part at the time of loss or damage.

Hollard will pay for the part at the price stated in the most recent price list that applies to Your vehicle, plus any increase in the price due to inflation from the date of the price list to the date of settlement of Your claim.

## 13. PARKING FACILITIES AND MOVEMENT OF THIRD PARTY VEHICLES EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

- a) with the authority of any tenant, customer or visitor of Yours, or
- b) in connection with Your parking arrangements, or
- c) to facilitate the carrying out of Your business,

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

For the purpose of this extension, such vehicle (and its contents) will not be deemed to be held in Your trust, or in Your custody or control.

## 14. WINDSCREEN EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The provisions of this section relating to deductible will 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) You will be responsible for the deductible (applicable to glass) stated in the schedule of each and every loss.

## 15. 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, damage, cost or expense directly or indirectly arising from dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities ;
- 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 Hollard 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 will rest on You.

#### **16. LOSS OF KEYS EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

Hollard will indemnify You 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 You having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller, provided that

- (i) Hollard's liability will not exceed, in respect of any one event, the amount stated in the schedule;
- (ii) such amount will be reduced by the deductible stated in the schedule.

The provisions of this section relating to deductible will not apply to this extension.

#### **17. FIRE EXTINGUISHING CHARGES EXTENSION**

Any costs (not exceeding R5 000) relating to the extinguishing or fighting of fire will be deemed to be damage to Your property and will be payable in addition to any other payment for which Hollard may be liable in terms of this section, provided You are legally liable for such costs and Your property was in danger from the fire.

### **COMPREHENSIVE AND FIRE AND THEFT COVER ADDITIONAL BENEFITS**

If You have a valid claim under Section 1, the cover is extended to include the following additional benefits for Comprehensive and Fire and Theft cover:

#### **1. TOWING**

Hollard will pay the reasonable cost of towing Your damaged Vehicle after an accident to a repairer near the accident site, or to any other place approved by Hollard. Hollard will pay the actual cost of towing if the Vehicle was towed by an Hollard approved towing operator.

#### **2. RETURN OF VEHICLE**

Hollard will pay the reasonable cost of returning You Vehicle following its repairs or recovery to Your address, as shown on the Policy schedule.

#### **3. AIRFREIGHT OF REPLACEMENT PARTS**

This insurance covers the cost of airfreighting and express delivery for replacement of parts and accessories subsequent upon damage to the vehicle as a result of a defined event provided that such costs do not exceed 50% of the amount that the repair or replacement cost would have been had such additional cost not been incurred and that the liability of Hollard will not exceed the limit of indemnity of any one vehicle stated in the Policy schedule.

#### **4. VEHICLE CANOPIED**

If the insured vehicle is a light commercial vehicle not exceeding a carrying capacity of 1 500kg, then any canopy that is an accessory to that vehicle is insured whilst temporarily removed and stored inside a building on any premises. Loss or damage caused by theft or any attempt thereat will be subject to forcible and violent entry into the building where the canopy is stored.

### **BASIS OF LOSS SETTLEMENT**

The amount payable in respect of damage to or theft of Your vehicle insured under Section 1 will be as set out below:

#### **1. REPLACEMENT, REPAIR OR REINSTATEMENT**

Following damage to or theft of Your Vehicle indemnified under Section 1, Hollard may decide to:

- a) Pay the reasonable cost of repairs or replacement, or
- b) Pay the:
  - (i) Retail Value of Your Vehicle or the Sum Insured shown on Your Current Policy schedule, Whichever is the lower amount, or
  - (ii) Agreed Value shown on Your Policy schedule.

If Hollard elects to repair Your Vehicle:

- a) You can suggest a repairer, or Hollard can suggest one for You. If Hollard does not accept Your choice of repairer, You must still cooperate with Hollard to select another repairer that Hollard and You both agree on.
- b) When Your vehicle is repaired, the repairer may use parts or reusable parts that are not manufactured by a supplier to the Vehicle's original manufacturer which:

- (i) Are consistent with the age and condition of the Vehicle,
  - (ii) Do not affect the safety or the structural integrity of the Vehicle,
  - (iii) Comply with the Vehicle's specifications and applicable design rules,
  - (iv) Do not adversely affect the post repair appearance of the Vehicle,
  - (v) Do not void or affect the warranty for a part of the repair to be carried out by the Vehicle manufacturer.
- c) In repairing Your Vehicle, Hollard may arrange for a part of the repairs to be carried out by a specialist service provider, for example windscreen repairs.
- d) Hollard may elect to replace Your Vehicle with another one which has a similar age, model and value.
- You may have to pay a Deductible towards any claim (see Claims Procedures section)

## 2. NEW VEHICLE OPTION (APPLIES ONLY IF TYPE OF COVER IS 'COMPREHENSIVE')

If Your Vehicle:

- a) is a motor vehicle or station wagon, four wheel drive (4x4 or 4x2 vehicle), light delivery vehicle (LDV), utility vehicle, or other goods-carrying vehicle with a carrying capacity up to one ton, and
- b) has travelled less than 40 000 kilometres, and
- c) was purchased new by You, and You are still its first registered owner, and
- d) is declared Total Loss within two years of its first registration, or one and a half years of its manufacture, whichever is the earlier, and

if Hollard agrees to pay the claim, then Hollard will either replace it with:

- (i) a new vehicle of the same make, model and series, or
- (ii) a new vehicle of similar cost that Hollard agrees upon with You in writing.

Hollard will do this instead of paying any amount under 'Replacement, repair or reinstatement' and Hollard will also pay any 'on-road costs' of fees, delivery or registration.

To obtain this benefit, You must request it in writing and give Hollard these documents:

- (i) permission from any finance provider with an interest in Your Vehicle, and
- (ii) the registration certificate and purchase invoice for the damaged Vehicle.

Then You must sign Hollard's order to confirm our acceptance of the new vehicle.

You may have to pay a Deductible towards any claim (see Claims Procedures section).

## 3. FINANCE PROVIDER (APPLIES ONLY IF TYPE OF COVER IS 'COMPREHENSIVE')

If Your Vehicle is financed or is security for a loan with a credit provider named on Your current Policy schedule, then:

- a) this Policy also covers the credit provider, and
- b) the credit provider is also subject to the Exclusions, terms and Conditions of the Policy.

Any amount Hollard pays to a finance provider will be treated, by You and by Hollard for all further dealings, as if it was paid to You.

## 4. SALVAGE

On receipt of payment of a claim for a total loss or a constructive total loss, or a stolen vehicle, You as owner of the vehicle cede, assign and make over all Your rights, title and interest in and to the insured vehicle or its salvage in the event of it being recovered to Hollard, and authorise Hollard irrevocably to deal with the insured vehicle as Hollard's sole and absolute property.

You will render assistance in the identification and recovery of the insured vehicle and in prosecution of the party/ies responsible for the theft. Hollard will reimburse You as owner for Your reasonable out of pocket expenses incurred in rendering such assistance. In the event of You as owner refusing to render such assistance when called upon to do so by Hollard or its authorised representatives, You as owner will be liable to repay to Hollard all amounts paid by Hollard in respect of the claim.

## LIMITATIONS APPLICABLE TO SECTION 1

### 1. FIRE AND THEFT COVER

The maximum amount Hollard will pay for a Section 1 claim under Third Party, Fire and Theft cover is the lesser of the Retail Value or Agreed Value or the amount stated on the Policy schedule.

### 2. TOTAL LOSS

If Hollard pays the Retail Value or Agreed Value, or if Hollard pays to replace Your Vehicle, the remainder of Your Vehicle and its insured equipment may be acquired or disposed of by Hollard for its own benefit. However, if Your vehicle was manufactured before 1960, You will be entitled to keep the remainder of it after a deduction of 20% from the claims settlement amount in respect of the salvage of the vehicle.

## EXCLUSIONS APPLICABLE TO SECTION 1

Hollard will not cover You for:

### 1. BREAKDOWN OR MECHANICAL FAILURE

The cost of repairing or replacing parts that have failed or broken down.

### 2. FAILURE TO PROTECT

Further damages or loss caused if You do not protect Your Vehicle in a reasonable way after fire, theft or accident damage occurs.

### 3. MECHANICAL DAMAGE

Mechanical damage (other than by fire) that is caused by the leaking, incorrect use, or absence of fuel, lubricant or coolant.

### 4. MOTORCYCLE THEFT

Any claim for theft if Your vehicle is a motorcycle and it is not secured by a chain when left in a public place or only part of it is stolen.

### 5. RESULTANT LOSS

Any other loss resulting from the damage to Your Vehicle or the loss of it, or from being unable to use it.

### 6. SOLIDIFICATION

Damage caused by solidification of any goods carried by Your Vehicle or any container attached to Your Vehicle.

### 7. TYRE AND RIM DAMAGE

Tyre and rim damage caused by punctures, cuts, bursting, braking or by potholes or any other inequality in the roads, unless accident damage is incurred at the same time.

### 8. THEFT OF VEHICLE FOR SALE

- a) Damage or loss resulting from theft, of Your Vehicle when it is shown to or test driven by someone for sale.
- b) Damage or theft of the Vehicle is it is in the custody and control of the motor trade for resale purposes.
- c) Loss or damage resulting directly or indirectly from or in connection with any actual or purported exchange, cash or credit sale agreement including theft by false pretences and / or fraud.

### 9. WEAR AND TEAR AND DEPRECIATION

Wear and tear, abuse, corrosion or depreciation in value, electronic or electrical breakdowns, failures or breakages.

## SECTION 2 – LEGAL LIABILITY

### COVER

Hollard will indemnify You and any additional Insured for Liability arising from property damage or bodily injury or death save to the extent that any claim or liability is prohibited, limited or covered in terms of the Road Accident Fund Act, 1996 or any similar legislation as a result of an accident occurring during the Period of Insurance caused by the Use of Your Vehicle, if it is:

- a) registered for use on a public road, or
- b) a towed vehicle for which registration is not required by law.

In addition, this part of the Policy includes Liability arising from property damage if Your Vehicle is mobile agricultural machinery that is exempt from registration, being used on public property and carrying a legal permit for such use.

### 1. CONTINGENT LIABILITY

The indemnity under section 2 will include claims made against:

- a) You 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 Your property of nor provided by You, while being used by any partner or any director or employee of You (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/her nor to You nor leased nor 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 and not if such person is entitled to indemnity under any other policy.

Provided that:

- (i) this extension excludes any compensation or claim which falls within the scope of the compulsory Road Accident Fund Act 56 of 1996 or any amendment replacement or substitution thereof;
- (ii) Hollard will 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 You of subsidies or travelling allowances to such person for the use of his/her own vehicle Your for official purposes, 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 You or such person is entitled to indemnity under any other policy in respect of the same occurrence, Hollard will 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 will otherwise apply.

## **2. PASSENGER LIABILITY EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

Exception b) to section 2 will 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 will not exceed the amount stated in the schedule.

## **3. UNAUTHORISED PASSENGER LIABILITY (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

The indemnity under section 2 extends to cover Your 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 Your instructions to their driver not to carry passengers, subject to the Exceptions to Section B applying at all times. The limit of indemnity for any one occurrence will not exceed the amount stated in the Schedule.

## **LIMITATIONS APPLICABLE TO SECTION 2**

As the Limit of Indemnity the maximum amount Hollard will pay for the total of all claims arising from one Event of:

- a) R2 500 000, or
- b) If an amount is specified in the schedule, that amount.

You may have to pay an Deductible towards any claim. (See Claims Procedures Section).

## **DEFINITIONS APPLICABLE TO SECTION 2 ONLY**

**Additional Insured** means:

- a) any person in charge of Your Vehicle with Your permission,
- b) any passenger in, or on, Your vehicle, Your employer, partner or principal when Your Vehicle is used on behalf of any of them,
- c) the legal representative of a deceased person covered under this Policy.

**Event** means a single accident or a series of accidents with the same original cause.

**Liability** means a person's legal responsibility to pay compensation to another person.

**Uninsured Vehicle** means that neither the owner nor the driver of the other vehicle is insured against Liability for property damage.

**Use if Your Vehicle** also includes:

- a) goods falling from it,
- b) loading and unloading it, but not carrying a load (or part of a load) to or from Your Vehicle,
- c) towing a single trailer, caravan or disabled vehicle.

## **ADDITIONAL BENEFITS**

If a valid claim is made under this Section 2, the cover is extended to include the following additional benefits. These benefits do not extend the Limit of Indemnity as shown in Your current schedule.

### **1. COST OF CLEANING**

Hollard will indemnify You and any Additional Insured for Liability for the reasonable cost of cleaning up or preventing damage, as a result of an accident caused by the Use of Your Vehicle to the maximum of R100 000.

### **2. LEGAL COSTS**

Hollard will indemnify You and any Additional Insured for legal costs and expenses, if Hollard agrees in writing to the lawyers acting for any person covered in connection with a claim.

### **3. NON-OWNED VEHICLES**

Hollard will give You the same Liability cover for any other vehicle that is:

- a) A motor vehicle or station wagon, four wheel drive (4x4 or 4x2 vehicle), light delivery vehicle (LDV), utility vehicle, or other goods carrying vehicle, and
- b) Not owned, leased hired or otherwise provided by You, if it is temporarily used by You or with Your permission by Your employee for a period not more than 30 days.

## **EXCLUSIONS APPLICABLE TO SECTION 2**

Hollard will not indemnify for:

### **1. BODILY INJURY**

Hollard will not cover Liability for bodily injury:

- (i) That is required by law (as the law stands at the commencement of the current Period of Insurance) to be insured, whether or not such insurance is in force.
- (ii) to the extent that any claim or liability is prohibited, limited or covered in terms of the Road Accident Fund Act, 1996 or any similar legislation.
- (iii) To You or the driver, or anyone who lives with, or has a family or business relationship with, You or the driver.

## **2. CONTRACTUAL LIABILITY**

Compensation payable only because of an agreement You have entered into.

Hollard agrees to give up its right of recovery against a business or municipal corporation, or a government or statutory authority, if You have been required to release them from Liability under a contract.

## **3. FINES OR PUNITIVE DAMAGES**

Any fines or any punitive, exemplary or aggravated damages which a court awards against You or another person covered under this Policy.

## **4. MOBILE CRANE**

Liability caused by operating Your Vehicle as a mobile crane to lift goods. This exclusion does not apply to loading or unloading goods onto or from Your Vehicle, by use of a crane mounted on the Vehicle.

## **5. PROPERTY IN CARE, CUSTODY OR CONTROL**

Damage to any property owned by or in the care, custody or control of or is the responsibility of a person covered under this Policy. The following property is not subject to this exclusion:

- (i) Employees' or visitors' vehicles and their contents while in a car park owned or operated by You.
- (ii) Any building that is both rented and occupied by the person covered.

## **6. TERRITORIAL LIMITS**

Any claim brought in any country outside the territorial limits, or in a court within the territorial limits exercising the jurisdiction of a country other than South Africa.

## **7. TOOL OF TRADE**

Liability caused by excavating, drilling, digging, grading, pumping, spraying or suction when Your Vehicle is operated as a tool of trade.

## **8. TRAILER, CARAVAN OR VEHICLE UNDER TOW**

Damage to any trailer, caravan or vehicle being towed by Your Vehicle.

## **9. VIBRATION AND WEIGHT**

Liability caused by vibration or by the weight of Your Vehicle.

## **GENERAL EXCLUSIONS APPLICABLE TO SECTIONS 1 AND 2**

Hollard will not be liable for:

### **1. EXCLUDED DRIVERS**

Your Policy does not cover any loss, damage or Liability caused by, or arising directly or indirectly from:

- a) any person who does not have Your permission to be driving Your Vehicle.
- b) any person who does not hold and comply with the requirements of a Valid Licence required by law for driving Your Vehicle.
- c) any person whose driving license is not valid in the place where Your Vehicle is being used.
- d) any person driving while under the influence of alcohol or any drug.
- e) any person driving with an illegal amount of alcohol or any drug in their blood.
- f) any person who refuses to be legally tested for alcohol or any drug unless the drug has been prescribed by a competent medical authority other than the driver of the Vehicle.
- g) any person or group of people excluded in Your schedule.
- h) any unspecified person if Your schedule restricts use to specified drivers.

If the person driving Your Vehicle is excluded above and You can show that:

- (i) Your Vehicle was stolen or illegally driven without Your permission, or
- (ii) You could not reasonable have known that the driver was unlicensed or would be driving while affected by alcohol or a drug, and the driver is not named as one of the insured, Hollard will still provide cover under this Policy to the Insured, but not to the driver. In these circumstances, the person driving has no protection under Your Policy. Where possible, Hollard will try to recover from the driver any amount paid to You or on Your behalf.

## 2. USE OF VEHICLE

Your Policy does not cover any loss, damage or Liability caused by, or arising directly or indirectly from:

- a) carrying passengers for payment.
- b) driving tuition for payment.
- c) motor trade use when the Vehicle is in the care, custody and control of the motor trade other than for servicing, repairing or testing Your Vehicle.
- d) Use for any illegal purpose.
- e) Use for a race, trial, contest, stunt or experiment, and driving on a race track even if it is not for these reasons,
- f) letting Your Vehicle on hire to others.
- g) carrying goods unlawfully.
- h) use of Your Vehicle in underground mines, mining shafts or tunnels that are not public roads.
- i) use of Your Vehicle on the premises of an airport that handles scheduled commercial flights or driving on the apron at an airport.

## 3. DANGEROUS GOODS

Your Policy does not cover any loss, damage or Liability caused by, or arising directly or indirectly from carrying any Dangerous Goods or any of the following:

- a) explosives or radioactive substances, in any quantity.
- b) gases (including gases that have been compressed, liquefied or dissolved under pressure) in containers larger than 500 litres.
- c) all other Dangerous Goods:
  - (i) in containers larger than 400 kilograms (for solids) or 450 litres (for liquids or pastes), or
  - (ii) that, in total, weigh more than one third (1/3) of Your Vehicle's carrying capacity.
- d) all Dangerous Goods if the manner in which they are transported does not comply with any applicable legislation and regulations.

NOTE: More detailed information about the classification and transportation requirements of dangerous goods is contained in the National Road Traffic Regulations (Chapter VIII: Transportation of dangerous goods and substances by road).

## 4. UNROADWORTHY VEHICLE

- a) Your Policy does not cover loss, damage or liability caused by or arising directly or indirectly from the unroadworthy or unsafe condition of the Vehicle. You must maintain the Vehicle in an efficient and roadworthy condition in compliance with the National Road Traffic Act 93 of 1996 (as amended or substituted) and the Regulations promulgated thereunder, or any similar legislation which applies to the Territorial limits referred to in this Policy.
- b) Hollard will pay if You prove that You did not know, and could not reasonably have known, of the unroadworthy or unsafe condition of the Vehicle at the time of the loss, destruction, or damage or the incurring of the Liability.
- c) Hollard will also pay Your claim if the unroadworthiness is of a technical nature that does not make the vehicle unsafe to drive and does not contribute in any way to the accident giving rise to the claim.

## 5. OTHER EXCLUSIONS

Your Policy does not cover any loss, damage or Liability caused by, or arising directly or indirectly from:

- a) any deliberate act ordered or carried out by You, or by any person acting on your instructions or with Your permission, except when it is to avoid or reduce damage that would otherwise happen.
- b)
  - (i) death or bodily injury or property damage directly or indirectly arising out of the ingestion, inhalation, absorption, release, escape, discharge, dispersal, seepage of, contact with, or exposure , seepage, migration, or Pollutants or contaminated substances into or upon any property, land, the atmosphere or any watercourse or body of water (including ground water), and the subsequent spread, migration, or movement of these Pollutants following the aforementioned,
  - (ii) death or bodily injury or property damage directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of Pollutants or contaminated substances caused by any product that has been discarded, dumped, abandoned or thrown away by anyone,
  - (iii) the cost of removing, nullifying or cleaning up Pollutants or contaminated substances, or
  - (iv) the cost of preventing the escape of Pollutants or contaminated substances.

This exclusion will not apply where the claim arises from an accident involving Your Vehicle or any other sudden, identifiable, unintended and unexpected event which takes place in its entirety as a specific time and place during the Period of Insurance.

## GENERAL CONDITIONS APPLICABLE TO SECTIONS 1 AND 2

### 1. TOTAL LOSS

If after a Total Loss Hollard pays the Retail Value, or Sum Insured, or if Hollard pays for the replacement of Your Vehicle, then the Policy comes to an end for that vehicle without refund of premium.

However:

- a) If Your premium is payable in instalments, You must pay the balance of the annual premium for the time remaining on Your Policy before Hollard will pay Your claim or the premium will be deducted from any claim payment,

- b) If Your claim is for a collision and Hollard decides the other driver was completely at fault, Hollard will allow this Policy to continue for a replacement Vehicle. Then You only pay any extra premium Hollard requires (because of the change in risk or circumstances or type or value of the Vehicle) for the time remaining on Your Policy.

#### **Return of premium**

If Your Policy is cancelled before the expiry date:

- (i) Hollard will keep the premium that applies to the period that the Policy was in force,
- (ii) Hollard will return to You the premium that applies to the period from the date the Policy ended to the due date of the Policy. However, if this amount is R250 or less, Hollard may not return the premium to You; but
- (iii) provided that there have been no claims under the Policy during the Period of Insurance.

## **2. CHANGE OF OWNERSHIP**

If You dispose of Your Vehicle or give up any of Your rights that gave You an interest that could be insured by You, Your cover comes to an end without notice. To obtain a refund, see Cancellation section of the policy and above.

## **3. CHANGING YOUR VEHICLE**

Your replacement vehicle has the same cover as the Vehicle it replaces under this Policy for 72 hours from the time You buy it.

However:

- a) This only applies if the replacement vehicle is of a similar type and carrying capacity as the Vehicle it replaces and will be used for similar purposes, and
- b) Until Hollard have agreed to cover it, the maximum amount Hollard will pay for loss or damage is the Market Value, the price You paid for it (as there will be no 'Sum Insured') or R250 000 whichever is the lower.

If Hollard agrees to cover the replacement vehicle, Hollard will give You a new schedule and You must pay any extra premium required. If Hollard does not agree to cover it, or You do not agree to Hollard's terms, the Policy may be cancelled by You or by Hollard, as described in Cancellation section or if, other Vehicles are covered under this Policy, the replacement vehicle ceases to be insured under the Policy. Your previous Vehicle is no longer covered unless Hollard agrees in writing, and You pay any extra premium required.

## **4. REPAIR GUARANTEE**

Hollard guarantees workmanship of the repairs authorised by Hollard. This guarantee is for the reasonable life of the repairs and is in addition to You statutory rights against the repairer and warranties that You have from the repairer directly.

Wear and tear is not covered by this guarantee. Hollard will arrange for repairs Hollard has authorised to be rectified at no cost to You if Hollard agrees that the repairs are defective. Before Hollard arranges for any defective repairs to be rectified, You must give Hollard the opportunity to inspect the Vehicle.

## **5. WHAT YOU ARE REQUIRED TO DO FOR HOLLARD**

Failure to do any of these things may affect Hollard's decision to continue Your insurance cover. Changes to the Vehicle or circumstances of the risk may also affect Hollard's decision to continue Your insurance cover.

- a) You must pay Hollard the premium for this insurance.
- b) You must tell Hollard as soon as possible of any changes to:
  - (i) The address where Your Vehicle is normally kept, and
  - (ii) The use of Your Vehicle, and
  - (iii) Regular drivers who will drive Your Vehicle.
- c) You must tell Hollard as soon as possible of any:
  - (i) Modifications that are made to Your Vehicle, and
  - (ii) Accessories that are added to Your Vehicle, and
- d) You must take reasonable precautions to prevent anything that could result in a claim under this Policy.
- e) You must make sure that anyone doing anything on Your behalf obeys all laws.
- f) You and anyone who is insured under this Policy must comply with all the provisions of this Policy.
- g) If, during the currency of this Section, any driver's licence in Your favour or in favour of Your authorised driver is endorsed, suspended or cancelled, or if You or Your authorised driver is charged or convicted of negligent, reckless or improper driving, You must notify Hollard in writing immediately You have knowledge of such fact.

## **7. YOU CANNOT GIVE YOUR RIGHTS AWAY**

You cannot give anyone else an interest in this Policy without the written consent of Hollard.

## **8. ACCUMULATION LIMIT CLAUSE**

In the event of any vehicles parked at the premises being lost or damaged in a fire originating in the premises then such vehicles will be deemed to be insured under the Fire Section of the policy, subject to the limit in the schedule, or R5 000 000 whichever is the greater.

## CLAIMS PROCEDURES APPLICABLE TO SECTION 1 AND 2

### 1. DEDUCTIBLE

The total Deductible that applies to a claim is the Deductible shown in Your current Policy schedule, plus any additional deductibles that apply.

### 2. MAKING A CLAIM

These are things that must be done by You and any driver and any other person covered by Your Policy. If these conditions are not followed, Hollard may refuse a claim.

#### First

- a) Take all reasonable steps to prevent further loss or damage.
- b) Ask for names, addresses and licence numbers of any other drivers involved, and registration numbers of the other vehicles involved.
- c) Try to get the names and addresses of any witnesses.
- d) Any theft or deliberate damage or motor collision must be reported to the police immediately.
- e) Do not admit fault, defend a claim, or make any offer or payment to anyone without Hollard's agreement. Allow Hollard to do these things if it wants to do so.
- f) Keep all damaged property to allow Hollard to inspect if required.

#### Next

Contact Hollard (or Your insurance advisor) for help, and if required complete the required Hollard claim form and give it to Hollard promptly.

#### Other conditions

- a) Promptly send Hollard anything You receive about an incident that resulted in a claim, or might result in a claim (even if You are not claiming for damage to Your Vehicle).
- b) Give Hollard all reasonable help and information requested, which may include attending court to give evidence. You must do this even after Hollard pays a claim, because Hollard may try to recover the payment Hollard made from the responsible person or Hollard may want to defend a claim that some other person has made against You.
- c) Do not make any false statements in connection with Your Policy or any claim that You make.

#### Joint Insured

Any claim, statement, act or omission made by one of the people named as 'the Insured' in Your Policy, is made by all of them.

#### Rights of conduct and recovery

If You have a right to claim against someone else for a claim You made under this Policy, You give Hollard the right to make that claim. You also give Hollard Your rights to conduct, defend or settle any legal action in Your name. You must not do anything that prevents Hollard from doing this and You must give Hollard all the information and cooperation that Hollard requires.

### 3. REPAIR OF YOUR VEHICLE

If Hollard decides to authorise repairs to Your Vehicle, and subject to:

- a) Cover for Your Vehicle under Section 1 being in force, and
- b) The exclusions, terms and conditions of the Policy:

#### Repair Authority

- a) Your Vehicle must be available for inspection by Hollard. Hollard only accepts responsibility for repairs carried out under Hollard's authority.
- b) If emergency repairs without Hollard's authority are carried out to make Your Vehicle driveable immediately after the accident, Hollard will accept responsibility for the cost up to R5 000. However, this is still subject to the Exclusions, terms and conditions and other provisions of the Policy.

#### Contribution

- a) If Hollard authorises additional repairs, or painting or replacement parts that improve the condition of Your Vehicle, You must pay for the amount of the improvement.
- b) You will not need to pay any contribution towards the cost of replacement parts other than tyres, if Your Vehicle and the parts being replaced are less than two years old.

#### Parts not available in South Africa or elsewhere in the Territorial Limits

If Your Vehicle needs any parts that are not locally available and Hollard Agrees to them being obtained outside of South Africa, Hollard will not pay any more than:

1. The overseas list price for those parts, plus
2. Surface transport and landing costs.

insert the following here:

### **SECTION 3 – MEDICAL BENEFIT**

#### **DEFINED EVENTS**

If an occupant in the specified part of a vehicle described below, in direct connection with such vehicle, sustains bodily injury by violent, accidental, external and visible means, Hollard will pay to You a medical benefit in respect of expenses incurred as a result of such injury of R1,000 per injured occupant but not exceeding R20,000 in total for all occupants injured as a result of an occurrence or series of occurrences arising out of one event. There has to be evidence of an injury sustained to an occupant.

The term medical benefit includes when any costs are incurred to free such occupant from such vehicle or to bring such injured occupant to a place where medical treatment can be given.

Defined vehicle but only if it is insured under section A of this policy Specified part of vehicle in which the injury must occur:

1. Any private type motor car or motorised caravan Anywhere inside the vehicle
2. Any other type of insured vehicle other than a bus or taxi The permanently enclosed passenger carrying compartment.

# Greens and Irrigation Systems

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## SUB-SECTION 1: FIRE

### DEFINED EVENTS

Loss of or damage to the whole or part of the property (Greens and or irrigation systems on the course and / or at the premises) situated as stated and described in the schedule by:

1. fire;
2. lightning or thunderbolt;
3. explosion;
4. earthquake (as defined in the extensions);
5. special perils (as defined in the extensions);
6. malicious damage (as defined in the extensions);
7. fertilisers, chemicals and / or contaminated water (as defined in the extensions);
8. failure of water supply (as defined in the extensions).

## DEFINITION

### GREENS

Any area on a golf course or at a bowling club described in the schedule and designated as a green, T-box and fairway for the game of golf and / or bowls owned by You and under Your control.

## EXTENSIONS APPLICABLE TO SUB-SECTION 1

### EARTHQUAKE EXTENSION

Damage caused by earthquake but excluding damage to property by the underground workings of any mine.

Special Perils extension.

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.
2. aircraft and other aerial devices or articles dropped therefrom.
3. impact by animals, trees, aerials, satellite dishes, vehicles or mechanical equipment excluding damage to such animals, trees, aerials, satellite dishes, vehicles or mechanical equipment or property in or on such vehicles.

This extension does not cover:

1. wear and tear or gradual deterioration;
2. damage caused or aggravated by:
  - a) subsidence or landslide;
  - b) Your failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any damage.

### MALICIOUS DAMAGE EXTENSION

Damage directly occasioned by or through or in consequence or wilful wanton act of any person committed with the intention of causing such damage other than damage to property which is:

- a) stolen;
- b) damage in an attempt to remove it or part of it from the premises.

Provided that this extension does not cover

- a) damage related to or caused by fire or explosion;
- b) consequential or indirect damage of any kind or description whatsoever, other than loss or revenue of Green fees if specifically insured;
- c) damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- d) loss, damage, cost or expense directly or indirectly arising from dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities;

- e) damage related to or caused by any occurrence referred to in General exception 1 A (i), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any way dealing with any such occurrence.

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

#### **FERTILISERS, CHEMICALS AND / OR CONTAMINATED WATER EXTENSION**

The insurance under Sub-Section 1 includes damage to the whole or part of the property insured (Greens on the course and / or at the premises situated as stated and described in the schedule) by fertilisers, chemicals and / or contaminated water provided that the total amount recoverable under any item for such damage will not exceed 50% of the sum insured on the property affected.

#### **FAILURE OF WATER SUPPLY EXTENSION**

The insurance under Sub-Section 1 includes damage caused by total or partial failure of the supply of water to the insured premises provided that this extension does not cover loss resulting from damage directly or indirectly caused by:

- (i) drought;
- (ii) mechanical or electrical or electronic breakdown unless such total or partial failure extends beyond 36 hours from commencement thereof; or
- (iii) contributed to, or arising of the failure of and / or deliberate withholding and / or lack of supply of water, gas, electricity or fuel.

### **SUB-SECTION 2: ACCIDENTAL DAMAGE**

#### **DEFINED EVENTS**

Accidental physical loss of or damage to irrigation systems described in the schedule.

The amount payable for all loss or damage arising out of one original cause or source will not exceed the sum insured stated in the schedule.

#### **SPECIFIC EXCEPTIONS**

Hollard will not be liable for:

- a) the deductible;
- b) dispossession, detention, confiscation, forfeiture, attachment, destruction, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities or other judicial process.
- c) loss of or damage for which a supplier, contractor or repairer is responsible either by law or under contract.
- d) loss of or damage to insured property caused by:
  - (i) any fraudulent scheme, trick, device or false pretence practiced on You (or any person having custody of the insured property) or fraud or the dishonesty of any principal or agent of Yours;
  - (ii) overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus;
  - (iii) altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;
  - (iv) faulty or defective design, formula, specification, drawing, plan, materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, contamination, pollution, change in colour, flavour, texture of finish or its own wear and tear;
  - (v) termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light.
- e) (i) loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage from their container;  
(ii) loss if or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes.
- f) failure of and / or the deliberate withholding and / or lack of supplies of water, steam, gas, electricity, fuel or refrigerant.

#### **SPECIFIC CONDITIONS APPLICABLE TO SUB-SECTIONS 1 AND 2**

##### **1. AVERAGE**

If, on the occurrence of an insured event, the value of the insured property is greater than the sum insured thereon, You will be considered Your own insurer for the difference and will bear a rateable proportion of the loss accordingly. Each item, if more than one, will be separately subject to this condition.

##### **2. REINSTATEMENT**

The basis upon which the amount payable is to be calculated following an insured event will be the cost or replacing or reinstating on the same site, property of the same kind but not superior to nor more extensive than such property when new, provided that:

- a) the work or replacement or reinstatement (which may be carried out on another site and in any manner suitable to Your requirements subject to Hollard's liability not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this condition had not been incorporated in this section will be made;
- b) Hollard will not be liable for any payment beyond the amount that would have been payable if this condition had not been incorporated in this section, until expenditure has been incurred by You in replacing or reinstating the damaged property.

# Levy Protection

Underwritten by ABSA Insurance Risk Management Services Ltd Trading as AIRMS (Reg No 2000/025898/06)

---

## INTRODUCTION

This Section forms part of the Policy only if shown in the schedule with a related premium and, if so, must be read together with the rest of the Policy.

## DEFINITIONS

In this policy and all endorsements and schedules thereto and notices in terms hereof, the following words and expressions will bear the meanings assigned to them as follows:

Act	The Sectional Titles Act, No 95 of 1986, as may be amended or substituted from time to time.
Body Corporate	The Body Corporate of the building as referred to in the Act.
Claim	Any request for indemnity or compensation by the Body Corporate.
Levies	Levies recoverable in terms of the Act.
Levy Clearance Certificate	A certificate as contemplated in the Act.
Management Rule/s	The management rules applicable to You as contemplated in Section 35(2)(a) of the Act or as amended, and as contained in Schedule 8 to the Act, or any equivalent substituted or amended Management Rules.

## DEFINED EVENTS

### SECTION A

Direct loss of legally recoverable levies, special levies, charges, interest and claims preparation costs in respect of each unit claimed for from date of inception of the policy.

### SECTION B

Direct loss of legally recoverable levies, special levies, charges, interest, taxed legal fees and claims preparation costs in respect of each unit claimed for, including losses suffered prior to date of inception of the policy.

#### 1. SPECIFIC EXCLUSIONS:

Hollard will not be liable for:

- a) any consequential loss or indirect loss of any kind following losses referred to under Defined Events.
- b) losses arising directly or indirectly from, or traceable to:
  - (i) levies due by members who have been sequestrated, liquidated or placed under business rescue or any other form of financial aid in terms of which such member's estate is administered by a third party;
  - (ii) levy payment continuance where the unit has been seized or attached in lieu of a debt of the Body Corporate;
  - (iii) any instance where the member is lawfully entitled to withhold payments to the Body Corporate;
  - (iv) any claims in respect of levies due by a deceased person, a minor, or a person under curatorship;
  - (v) where a Levy Clearance Certificate has been issued by You.
- c) any amounts that are not recoverable for any reason whatsoever.

#### 2. TERMS AND CONDITIONS

- a) The aggregate amount of outstanding legally recoverable levies for any unit claimed for may never exceed ten percent (10%) of the insured value of the unit in respect of which the claim is made.
- b) You will institute, maintain and continue to employ and enforce all such rules, systems and procedures of administration, accounting, check and control together with clerical procedures and methods of conducting Your business as are required for purposes of good governance in terms of the Act, the management rules and diligent accounting procedures, to ensure that all entries in respect of levies and interest are accurately recorded in order to be legally recoverable.
- c) You must, upon receipt of any payments by the unit owner of any amount that is the subject matter of a claim and which is due to the Insurer in terms of this policy, notify Hollard or its attorney of such payment and pay over such amounts to Hollard or its attorney as soon as possible. If You fail to do so the full amount of the claim will become immediately recoverable by Hollard from You.
- d) You will be obliged to determine a rate of interest applicable in respect of arrear levies and other amounts claimed for at a rate equal to the rate as determined by Hollard from time to time which rate will not exceed the maximum rate of interest as allowed by the National Credit Act 34 of 2005. Such determination must be made by means of a resolution of Your trustees according to the requirements and format as stipulated by Hollard from time to time.

- e) You or any of Your representatives or agents may not issue a Levy Clearance Certificate for a unit in the scheme which is the subject matter of a claim without the prior written consent of Hollard. Should You, Your representatives or agents nevertheless issue such certificate in contravention of this condition, for any reason whatsoever, or should transfer of the unit concerned take place without prior payment to Hollard of all amounts due to it in respect of such unit, You will immediately be liable to pay Hollard any amount not recovered in terms of subrogation rights. This provision will remain in force after any cancellation of the policy until written notice is issued to You by Hollard that all claims have been fully recovered.
- f) You are obliged to assist Hollard and its attorneys to recover the claim from the defaulting owner effectively and must in this regard furnish all minutes, resolutions, schedules, statements, applications, declarations, communications, and other documents and evidence, verbal or otherwise, which may be required for such purpose, including all contact details of the defaulting owner and his / her spouse.
- g) An insurance policy covering the Body Corporate that is compliant with the Act must be in place at all times.

### **3. CLAIMS**

- a) Any claim per unit must be for an amount more than the franchise amount specified in the schedule.
- b) claims must be submitted to Hollard on a duly completed claim form together with resolutions, duly signed and any documents and information required by Hollard.
- c) Any excess due in terms of the policy will be recovered and retained by Hollard.

### **4. CONDITIONS APPLICABLE ONLY TO SECTION A**

Interest on arrear levies will only be paid to You, as part of the claim, up to date of submission of a claim.

### **5. CONDITIONS APPLICABLE ONLY TO SECTION B**

- a) Claims for each unit will be paid less any excess payable by You as set out in the policy schedule.
- b) You must advise Hollard as soon as possible of any claim, but no claim may be made later than three (3) calendar months before prescription of any legally recoverable levies.
- c) You may not make any additional claim for any unit which is the subject matter of an existing claim which has not been totally recovered by Hollard.

### **6. GENERAL CONDITIONS**

- a) Any misdescription, misinformation, misrepresentation or non-disclosure by You of any material information or document will render the related claim voidable at the instance of Hollard, and any monies paid over to You in respect of such claim, must be refunded by You to Hollard.
- b) Franchise: Should a Loss exceed the franchise stated in the schedule then Hollard will be liable for the full amount of the loss up until the maximum indemnity period or for the maximum indemnity amount.
- c) Hollard's rights after the event.  
You will permit to be done all such things as may be necessary or reasonably required by Hollard for the purpose of enforcing any rights to which Hollard will or would become subrogated upon Your indemnification whether such things will be required before or after such indemnification.

### **7. RENEWAL AND CANCELLATION**

- a) Unless cancelled in terms of sub-clause c) the policy will be considered to be renewed upon the same terms and conditions subject to any changes or endorsements as may be notified by Hollard in terms of the provisions of this policy.
- b) The Insurer may give one (1) calendar month written notice stipulating proposed amendments to the policy which will become effective automatically on that date.
- c) You may cancel the policy at any time.
- d) Upon cancellation of the policy the rights of Hollard in respect of existing subrogated levies claims paid or recoverable will not be affected and You will remain responsible to provide such assistance for recovery thereof.

### **8. FRAUD**

If any claim under this policy is in any respect fraudulent or should any fraudulent means or devices be used by You or anyone acting on Your behalf to obtain any benefit under this policy, or if any loss be occasioned by the wrongfully wilful act or with Your connivance, all benefits under this policy in respect of such claim will be forfeited.

### **9. PREMIUMS**

- a) **Payment**  
Premiums, fees and charges as specified in the Schedule are payable:
  - (i) annually in advance up to each anniversary date; or
  - (ii) monthly in advance, by debit order.

**b) No Premium no cover**

The implementation of this policy is conditional upon payment of the first premium by You or on Your behalf and receipt thereof by Hollard and thereafter continued cover will be conditional upon payment of any further premiums which will be due and payable as specified in the schedule. The premium is due in advance and if it is not received by Hollard by the due date, Hollard will be entitled to suspend cover under this policy with effect due date, and will not be obliged to meet any claims, until such time as the premiums are brought up to date.

**c) Amount of the Premiums**

The amount of the premiums payable by You to Hollard will be as stated in the schedule, subject to such changes as may be effected by Hollard and notified to You at the anniversary date.

Hollard.

The Hollard Insurance Co. Ltd (Reg No 1952/003004/06) is an authorised Financial Services Provider