



# ONE

## ARDST

### POLICY WORDING

## THE SECTIONAL TITLE SOLUTION

### Policy Overview

The ONE Domestic Sectional Title Assets All Risk policy provides the perfect solution for domestic sectional title property complexes. Cover is provided for the entire complex including all buildings, common property, vehicles and all liabilities.

### KEY BENEFITS

#### Asset All Risk Wording

The policy wording is an Asset All Risk wording. What this means is that We will cover the Insured property against all loss or damage howsoever caused unless it is excluded

#### Levy Cover

We provide levy insurance that assists the Body Corporate against defaulting levy payments. This Levy Cover also includes cover for electricity and water charges, as well as special levies, but excludes any and all arrear levy collection charges and legal fees which have not been approved by the arrear levy debtor or taxed.

#### Fidelity Guarantee cover that is compliant with the CSOS Act and more

Since 7 October 2016, the law has been changed regarding Community Schemes. One of the changes is that every Body Corporate now needs to have fidelity guarantee cover which must cover theft by an *insurable person* which includes a Managing Agent and anyone else with access to the funds. The amount of cover is also clearly spelt out and must be no less than 100% of the reserve fund + 25% of the operational fund. We have amended Our wording to provide for this cover to ensure that We are compliant with the changes to the law.

We also extend cover to include Claims Preparation. You will be required to complete a separate Proposal Form detailing the financial controls.

## **Other Key Benefits of this Policy:**

You are now able to select Your own limits for various covers:

1. Up to 35% for loss of rent
2. Up to 12% for escalation and inflation
3. Office contents up to R500,000
4. Machinery Breakdown cover up to R500,000
5. Money cover of R100,000
6. Public liability over up to R50 mill including cover for gratuitous advice (R1 mill) and wrongful arrest and defamation (R250,000)
7. Trustees Liability (or Directors & Officers) cover up to R10 mill
8. Employers Liability cover up to R50 mill
9. Power surge as a result of Eskom cover up to R300,000
10. Theft of landlord's fixtures and fittings cover of R100,000
11. Building Modifications cover of R500,000
12. Security Guards cover of R15 000
13. Burst pipes and the costs of locating the water leak including any Water Loss cover of R10,000
14. Limited Subsidence and Landslip (We also offer full cover which is dependent upon specific third-party reports)

## **The Policy is grouped into 5 main headings being:**

1. **General conditions, general exclusions, special extensions that apply universally to all covers and to all claims**
2. **Material Damage to Buildings including cover for:**
  - 2.1 Fixed Assets
  - 2.2 Money
  - 2.3 Machinery Breakdown
  - 2.4 Geysers
  - 2.5 Levy Cover
3. **Specified All Risks**
4. **Liability:**
  - a. Public Liability
  - b. Trustees (Directors & Officers) Indemnity
  - c. Fidelity Guarantee cover
  - d. Employers' Liability

## 5. Personal Accident

## 6. Motor

Important terms and conditions:

It is very important that You are familiar with the general terms and conditions because they have universal application and so apply to all sections. It also defines certain words that are used often and that might have a particular meaning in this policy. Throughout the policy, We have highlighted those risks that are excluded in red italics. **Please pay special attention to these exclusions and limitations on Your cover**

We are staying away from legalese and have tried to make this document very easy to read and understand. If You do not understand anything then please speak to Your broker so that they can give You proper advice

### Claims Process:

In order to make Your claims experience as easy and simple as possible with the least upset, We encourage You to report Your claims to Us as soon as You can. If You have an *Emergency* then please phone Our 24/7 call centre that is ready and waiting to deal with it, and they have teams that are dedicated to providing exceptional service even afterhours. Please call them on 0861 000 286 anytime and they will be able to set the claim solution in motion. We have hand-selected a panel of service providers whose work We can trust and guarantee. If there are problems with their work, then We will make sure that it is rectified

**Please do not instruct Your own service providers because We will not be able to guarantee the quality of their work and We will not be liable for their mistakes or errors. There will also be an **additional R500 excess applicable**, and We will not be liable for more than what We would have paid had Our own service providers attended to the matter. This is very important.**

**This concludes the Policy Overview.** The following pages are the actual policy wording which You must read and understand. If You have any questions or concerns, please speak to Your broker immediately.

## Our Contract with You

Provided the required premium has been received by Us and subject to the terms, exclusions and conditions of the policy, We will indemnify You by payment or, at Our discretion, by replacement, reinstatement or repair in respect of insured claims occurring during the period of insurance. We will not be obliged to replace or repair exactly, but only as circumstances reasonably allow. We will not pay more than the amount of cover stated in the schedule.

## General conditions

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

It is very important that You advise Us as soon as possible when a claim event takes place so that We can provide You with exceptional service. If there is an Emergency, You must call Our Incident Management Centre, a 24-hour call centre which is open every day of the year. We have a substantial panel of service providers across all professions and in all areas whose work and service We trust. We guarantee their performance and because We give them lots of business, We are able to get preferential rates

**Should You appoint Your own service provider, Our limit of indemnity shall not exceed the charges that We would have paid if We had used Our own service providers**

**Furthermore, if Our service provider is not used an additional excess of R500, will apply**  
**Our 24/7 Call Centre contact no is 0861 000 286**

### 2. Annulment of policy

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

2.1.1 if any material details affecting the risk are not disclosed or are misrepresented, or if We are not informed of any alteration in risk by You or Your co-insureds or Your broker on Your behalf

2.1.2 whereby Your interest ceases

2.1.3 if You are in breach of a warranty or condition

### 3. Cancellation, Variation and Continuation of Cover

#### A. Cancellation & Variation

This policy, any section, premiums, terms and conditions may be cancelled or varied at any time by Us giving 31 days' notice in writing (or such other period as may be mutually agreed) or by You giving immediate notice. On cancellation by You, We shall be entitled to retain the customary short period or minimum premium for the period the policy or section has been in force. On cancellation by Us, You shall be entitled to claim a pro rata proportion of the premium for the remainder of the period of insurance from the date of cancellation, subject to general condition 4.

#### B. 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 Us by due date, this insurance shall 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 his 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.

### 4. Claims

4.1 If an event giving rise to or likely to give rise to a claim comes to Your knowledge You must as soon as possible but not later than 30 days after such event, notify and provide Us with:

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- 4.1.1 particulars of other insurance covering the same event
  - 4.1.2 written details of the event
  - 4.1.3 such proofs, information and sworn declarations We may require from time to time
  - 4.1.4 any document or details of any communication received in connection with a claim
  - 4.2 The onus is on You to prove that any claim is covered in terms of the policy
  - 4.3 **No admission, statement, offer, promise, payment or indemnity may be made by You without Our written consent. If You do, We may decline cover**
  - 4.4 The theft of or malicious damage to any insured article must be notified to the police as soon as is reasonably possible
  - 4.5 We may take over and conduct the defence or settlement of any claim and have the right to use Your name for this purpose
  - 4.6 You must give all information, documentation and assistance required by Us to obtain indemnity from other parties
  - 4.7 You must notify Us immediately You become aware of any impending prosecution or inquest in respect of any event which may give rise to a claim

## 5. **Prevention of Loss**

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

## 6. **Excess**

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

## 7. **Fraudulent or wilful acts**

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

- 7.1 a claim is in any respect fraudulent or if fraudulent means are used by You, or by any co-insured, or Your broker on Your behalf, to obtain any benefit under the policy
- 7.2 a claim in any way occurs as a result of any wilful acts committed by You or with Your connivance
- 7.3 false information is furnished in respect of any claim
- 7.4 wilful exposure to needless peril occurs except in an attempt to save human life

## 8. **Jurisdiction**

This policy is subject to the sole and exclusive jurisdiction of the courts of law of South Africa

## 9. **Limitations and amendments**

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

## 10. **Other insurance**

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

## 11. **Our rights following an insured event**

- 11.1 You must allow Us to enter the Building or premises where the loss or damage occurred, to take possession of the damaged insured property, and to deal with it in any reasonable manner
- 11.2 You must supply all information and assistance reasonably required by Us and We have the right to take over the defence or settlement of a claim and conduct it in Your name
- 11.3 In respect of any section of this policy under which an indemnity is provided for liability to third parties

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We may upon the happening of any event, pay to You the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled, and thereafter We shall be discharged of any further liability

## 12. Payment of premium

Premium is payable on or before the inception date or renewal date as the case may be. We shall not be obliged to accept premium tendered to Us after inception date or renewal date as the case may be but may do so upon such terms as We at Our sole discretion may determine

## 13. Period of insurance

Initially the period of insurance is the period starting with the inception date of the policy and ending on the last day of the calendar month in which the inception date occurs. Thereafter the period of insurance is deemed to be one calendar month. For annual policies, the period of insurance starts with the date of inception of the policy and ends on the last day of the twelve (12) consecutive months immediately thereafter

## 14. Prescription

14.1 If We reject a claim, You will have 180 days from the date of rejection to institute legal proceedings against Us, failing which Our liability in respect of the claim will cease

14.2 We shall not be liable after the expiry of 360 days of the date of the insured event giving rise to the claim unless the claim is the subject of a pending court action between Us, or the subject of arbitration, or it is a claim for sums which You may become legally liable to pay

## 15. Reinstatement of the sums insured

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

## 16. Rights and remedies (subrogation)

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

## 17. Rights to You only

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

17.2 You may not cede Your rights to anyone

## 18. Sharing of information

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

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

if We intend using it to prevent fraud and to underwrite risks fairly

## **Your authorization**

- 18.3 You acknowledge that the sharing of information for underwriting and claims purposes (including credit information) between insurers is in the public interest as it enables insurers to underwrite policies and assess risks fairly and to reduce the incidence of fraudulent claims with a view to limiting premiums
- 18.4 On Your own behalf and on behalf of any person You represent herein, You hereby waive Your right to privacy with regard to any underwriting and claims information (including credit information) that You provide or that is provided by another person on Your behalf in respect of any insurance policy or claim made or lodged by You
- 18.5 You acknowledge that the insurance information provided by You may be stored in the shared database and used as set out above as well as for any decision pertaining to the continuance of Your policy or the meeting of any claim You may submit. You consent to such information being disclosed to any other insurance company or its agents. You acknowledge that the information may be verified against legally recognised sources or databases

## **19. Inflation adjustment**

The sums insured for Buildings will be adjusted annually to keep pace with Building cost inflation as far as is reasonably possible. The insured amount is to be increased annually at the anticipated Building cost inflation for the next year adjusted to make allowance for debris removal, professional fees and demolition costs. You are, however, still responsible for ensuring that the property is insured for the full replacement value as stipulated by the Act

## **20. Value added Tax (VAT)**

- 20.1 VAT shall mean the amount of value-added tax payable by You or Us to the revenue authorities in South Africa
- 20.2 In circumstances referred to herein under which You are required to bear the first amount of any loss (Excess), such amount shall also be inclusive of value-added tax in like manner to the sum insured or limit of indemnity referred to above

## **21. Average**

- 21.1 If the property insured is, at the commencement of any damage to such property collectively of greater value than the sum insured thereon, then You shall be considered as being Your own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition
- 21.2 No amount shall be payable hereunder except in the event of actual physical damage to or destruction of the insured property notwithstanding that the insured property may have been deemed to have been destroyed in terms of the Act and the provisions thereof shall not apply in regard to the application or interpretation of this section

## **22. Liability under more than one section**

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

## **23. National Building Regulations**

All properties and structures must comply with The National Building Regulations and Building Act of 1977 as amended, read with SANS 204 and SANS 10400 submitted to and approved by the local authority at the relevant time

## **24. Fire Fighting Equipment & Protection**



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

## 25. Interpretation

- 25.1 Specific exclusions and conditions shall override general exclusions and conditions
- 25.2 This policy and the schedule constitute the contract between Us, and You and any co-insured stated in the schedule. Any application or statement made by You personally, or by any of Your co-insureds, will form the basis of this policy and be part thereof
- 25.3 The schedules and any endorsements thereto and the policy wording shall be read together, and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning wherever it may appear
- 25.4 Unless specifically stated to the contrary, the general conditions, exclusions and definitions apply to the policy as a whole
- 25.5 Payments on account may be made to You at Our discretion
- 25.6 If We are holding covered on a risk, We will not reject a claim on the grounds that the premium has not been agreed
- 25.7 If, in a schedule of this policy, the sum insured, limit of indemnity or compensation is:
  - 25.7.1 left blank or has no monetary amount stipulated against it
  - 25.7.2 reflected as nil or not applicable or not covered or no indemnity extendedthis means the item, event or circumstance shown in the Schedule is not insured by this policy

## 26. Obsolescence clause:

- 26.1 In the event of loss or damage to:
  - 26.1.1 Electronic motors
  - 26.1.2 Telephonic communication equipment
  - 26.1.3 Security control equipment (including cameras)
  - 26.1.4 Alarm and detection systems
  - 26.1.5 TV aerials including television transmission or reception equipment
  - 26.1.6 Closed circuit cameras and monitorsOr 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 or stockholding of such equipment; *and provided that such equipment is not repairable*, then such equipment shall be considered obsolete
- 26.2 If the damaged equipment is considered or declared obsolete then, at Our option, the basis of the indemnity shall be cash-in-lieu and shall be the original purchase or determined costs thereof less a rate of depreciation based on an accumulative rate of 15 percent per annum as from the date of purchase or installation
- 26.3 Once We have agreed to indemnify You in terms of this clause then if We advise You in writing, You will have the damaged equipment removed from its place of installation prior to payment of such indemnity and delivered to Our named offices. Such costs of removal and delivery are to be agreed with Us and these costs will be for Our account

## 27. Dye lots, colours, patterns & textures

- 27.1 In the event of any property (or part thereof) being damaged and such property has a specific dye-lot, colour, pattern or texture which is not readily available then We will indemnify You for the costs of the nearest similar type that is readily available

## General exclusions

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

## 1. Confiscation

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

## 2. War, riot & terrorism

### 2.1

2.1.1 civil commotion, 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

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

### 2.1.3

(a) mutiny, military rising, military or usurped power, martial law or State of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege

(b) insurrection, rebellion, or revolution

2.1.4 any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any state or government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;

2.1.5 Any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any state or government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof;

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

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

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

2.3 Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exclusion, this policy does not cover loss of or damage to property or bodily injury or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage, bodily injury or expense  
For the purpose of this general exclusion 2.3, an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof

## 3. Terrorist Activity-Nuclear, Biological, Chemical, Radioactive Materials Exclusion (NBCR Terrorist Activity)

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

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

involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any nuclear, biological, chemical or radioactive agent, material, device or weapon, that:

- 3.1 is declared by any authorized governmental official to be or to involve terrorism, terrorist Activity or acts of terrorism; or
- 3.2 is related, in whole or in part, to any intention to:
  - a. promote, further or express opposition to any political, ideological, philosophical, racial, ethnic, social or religious cause or objective; or
  - b. influence, disrupt or interfere with any government related operations, activities or policies; or
  - c. intimidate, coerce or frighten the general public or any segment of the general public; or
  - d. disrupt or interfere with a national economy or any segment of a national economyNBCR Terrorist Activity as described in section 3, above, shall be considered NBCR Terrorist Activity except where the Company can demonstrate to the Reinsurer that such activities or threats thereof were motivated solely by personal objectives of the perpetrator

#### **4. Nuclear weapons and radiation**

Except for the fidelity section, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to, by or arising from:

- 4.1 ionising, radiation, or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel
- 4.2 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 4.3 nuclear material, nuclear fission and or fusion, nuclear radiation
- 4.4 nuclear explosives or any nuclear weapon
- 4.5 nuclear waste in whatever form

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

For the purposes of this exclusion only, combustion shall include any self-sustaining process of nuclear fission

If We allege that We are not liable for a claim due to general exclusions 1, 2, 3 or 4 You must prove the contrary

#### **5. Consequential loss**

Consequential or indirect loss or damage of any kind whatsoever except loss of rent as provided by the policy

#### **6. Assumed liability**

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

#### **7. Cyber and Data Exclusion**

7.1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

7.1.1 Cyber Loss or the fear or threat of Cyber Loss;

7.1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration, or reproduction of any Data, including any amount pertaining to the value of such Data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

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

- 7.3 This exclusion supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

## Definitions

- 7.4 Cyber Loss means any loss, damage, liability, claim, cost, or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing, or remediating any Cyber Act or Cyber Incident.
- 7.5 Cyber Act means an unauthorised, malicious, or criminal act or series of related unauthorised, malicious, or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 7.6 Cyber Incident means:
- 7.6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
  - 7.6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7.7 Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- 7.8 Data means information, facts, concepts, code, or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted, or stored by a Computer System.

## 8. Asbestos exclusion

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

## 9. Infectious Epidemic/Pandemics

Notwithstanding any provision to the contrary, this policy wording excludes any loss, damage, liability, claim, cost, or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- 9.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- 9.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- 9.3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

## 10. Sanction Limitation

This policy shall not cover or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us or our Reinsurers to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, African Union or South Africa

## 11. Transmission and Distribution Lines (applies to Property and Engineering sections only)

This policy does not cover any death, injury, sickness, loss, damage or liability for damages, or any consequential loss directly or indirectly caused by, arising out of, contributed by, or resulting from or in connection with overhead transmission and distribution lines and their supporting structures other than those on or within 50 meters of the insured premises.

## 12. Biological or Chemical Material

This policy does not cover any death, injury, sickness, loss, damage or liability for damages, or any consequential loss directly or indirectly caused by, arising out of, contributed by, or resulting from or in connection with actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

## 13. Pollution and Contamination

This policy does not cover any death, injury, sickness, loss, damage or liability for damages, or any consequential loss directly or indirectly caused by, arising out of, contributed by, or resulting from or in connection with contamination, pollution, soot, deposition, seepage, impairment with dust, chemical precipitation, adulteration, poisoning, impurity, epidemic and disease or due to any limitation or prevention of the use of objects because of hazards to health.

This exclusion in 13 does not apply if such loss or damage arises as a direct consequence of

- a) the perils
  - fire, lightning, explosion, impact of aircraft
  - vehicle impact, sonic boom
  - accidental escape of water from any tank apparatus or pipe
  - malicious damage
  - storm, hail
  - flood, inundation
  - earthquake
  - landslide, subsidence
  - snow pressure, avalanche
  - volcanic eruption
- or
- b) a physical damage of the type insured by the original policy which occurred on the insured premises.  
If a peril not excluded in this policy arises directly from pollution and/or contamination any loss or damage arising directly from that peril shall be covered.
- or
- c) an accidental spill or discharge resulting in an environmental event that necessitates clean-up and remediation or liability arising out of such discharge or spill (where this cover is selected)

## 14. Electricity Grid Interruption Exclusion

Notwithstanding any provision of any section of this Policy including any Exclusion, Condition, Exception, Insured Peril, Extension or other provision not mentioned herein, this Policy does not cover any loss, damage, legal liability, claim, cost, exposure, expense or other sum of any nature, including any consequential losses, that is directly or indirectly, regardless of any other cause or event contributing concurrently or in any other sequence, caused by, related to, resulting from, or arising out of Electricity Grid Interruption (as defined below).

Electricity Grid Interruption is an interruption to or suspension of electricity supply, in any manner, from whatsoever source, and for any reason whether due to damage, any inability and/or failure (whether partial or total) on the part of the supplier which affects an entire municipality (including local, district, regional or any other level that is created by law) or province or the country at substantially the same time, including any interruption, power surge or suspension at the reconnection or reinstatement of electricity supply.

This exclusion also applies to consequential losses in respect of any public utilities that are affected by Electricity Grid Interruption including, but not limited to, the disruption of water, telecommunications and sewage systems as well as the deterioration of stock, food or other items.

This exclusion does not apply to Loadshedding (defined below) which remains covered subject to the remaining terms and conditions set out in the policy.

If We allege that, by reason of this Electricity Grid Interruption Exclusion, any claim, loss, damage, legal liability, exposure, cost or expense is not covered, the burden of proving the contrary shall rest on You.

**Loadshedding** is the intentional, total or partial, withholding of electricity supply (from any source) by any party other than the insured implemented in phases which does not affect a municipality (including local, district, regional or any other level that is created by law) or province or the country at substantially the same time.

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## MATERIAL DAMAGE

Buildings and Common Property

### Defined Events

Damage to the Insured Property by any cause not excluded

### Definitions

**1. Act**

The Sectional Titles Act, Act no. 95 of 1986, as amended by any subsequent amendment

**2. Body Corporate**

The legal entity that is created by the Act to manage and control the common property

**3. Building**

Means a structure of a permanent nature erected or to be erected and which is shown on a sectional plan as part of a Scheme

**4. Claim**

Any request for indemnity or compensation, irrespective of whether any amounts have been determined or paid for the claim

**5. Common Property**

In relation to a sectional title development scheme means:

5.1 the land included in the scheme

5.2 such parts of the Building or Buildings as are not included in a section

5.3 land acquired by the Body Corporate and identified as “common property”

**6. Damage**

Means physical loss or damage caused by a single, sudden, unintentional and unexpected event which occurs at an identifiable time.

For the sake of clarity, We do not cover losses arising from:

6.1 acts of non-physical damage unless so described and specifically insured

6.2 the failure or omission of a public utility for any reason to provide You with water, gas or electricity services

**7. Employee**

Any employee of the Body Corporate but excluding Managing Agents and their employees, employees of unit owners or of trustees, or independent contractors

**8. Insured Property**

Means all tangible property which is owned by or for which the Body Corporate is responsible, including while in transit

**9. Levies**

Levies recoverable in terms of the Act

**10. Levy Clearance Certificate**

A certificate as contemplated in the Act

**11. Management Rules**

The management rules applicable to You as contemplated in the Act or any equivalent substituted or amended Management Rules

**12. Managing agent:**

A person who manages the Body Corporate professionally. They take over the responsibilities from the Body Corporate for arranging the maintenance of the common property, Buildings and for collecting levies, calling and arranging meetings and so on. They report to the trustees of the Body Corporate

**13. Owner**

In relation to a unit or a section or an undivided share in the common property forming part of such unit means the person in whose name the unit is registered at a deeds registry in terms of the Sectional Titles Act or in whom ownership is vested by statute, including the trustee in an insolvent estate, the liquidator of a company or close corporation which is an owner, the executor of an owner who has died, or the representative of an owner, who is a minor or of unsound mind, recognised by law, and "owned" and "ownership" have a corresponding meaning, and shall include the owner's spouse, life partner, children and other persons normally residing with the owner

**14. Participation Quota (PQ)**

A value expressed as a percentage that allocates the portion of the Body Corporate expenses that an owner is liable to pay. The PQ is calculated based on the size of the floor area of an owner's section so that the bigger the unit the larger the share of expenses that owner is liable for

**15. SABS**

South African Bureau of Standards

**16. SANS**

South African National Standards

**17. Scheme**

The sectional titles development scheme

**18. The Insured (You / Your / Yourself / co-insured)**

Shall be the Body Corporate (including its Trustees) and shall include all owners and all mortgagees of registered mortgage bonds over the units in the scheme for their respective rights and interests

**19. The Insurer (Us / We / Our)**

Shall mean Mutual & Federal Risk Financing Limited (Registration 1966/010741/07) a short-term insurance company underwritten by ONE Insurance Underwriting Managers (Pty) Limited with FSP 8783

**20. Trustees**

The elected Trustees of the Body Corporate at each Annual General Meeting who represent the owners and are responsible for the management, administration and maintenance of the common property **but excluding the Managing Agent (or their representative) or any professionally appointed juristic entity (or their representative) when acting in that professional capacity**

**21. Unit**

A section together with its undivided share in common property apportioned to that section in accordance with the quota of the section



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## Specific exclusions

In addition to the general exclusions applying to all sections of the Policy, We will not pay for:

1. consequential loss of any kind other than as specifically covered
2. any legal liability of any kind except sudden, unforeseen and fortuitous accidental damage to water, sewerage, gas, electricity and telecommunication connections to the Insured Property or for which You are legally responsible, between the Insured Property and the public supply or mains
3. damage, loss or injury to any:
  - 3.1 animal or person
  - 3.2 awnings, curtains or blinds that are made of textile or fabric more than ten (10) years old
  - 3.3 Building or other Insured Property which is undergoing demolition
  - 3.4 Building or other Insured Property which is in the course of construction, erection, alteration or addition where the total contract value of such work exceeds R500,000 unless agreed to by Us in writing
  - 3.5 docks, wharves, jetties and piers not forming part of any Building
  - 3.6 money except as more specifically provided in clause 25
  - 3.7 property in open air unless it is part of the Common Property contents that is designed to function in the open and to withstand weather conditions
  - 3.8 pool and spa covers caused by wind or rainwater
  - 3.9 retaining wall howsoever caused including but not limited to storm, snow, wind, water or hail unless the Insurer agrees to provide this cover in writing
  - 3.10 swimming pools, spas or surrounds caused by movement of their foundations or structure unless by earthquake
  - 3.11 standard or non-standard geyser or the resultant damage where the roof structure was unable to bear the weight of the geyser installation
  - 3.12 any waterproofing material or the resultant damage caused by storm, snow, wind, water or hail where such waterproofing material has not fully bonded to the structure, or which has not been applied as per manufacturer's specifications or which is not the correct or is insufficient as waterproofing material.
4. damage or loss arising directly or indirectly out of or in any way connected with:
  - 4.1 creeping or vibration
  - 4.2 demolition ordered by any lawful authority
  - 4.3 subsidence, heaving and landslide save to the extent as provided more specifically for in the Extensions of Cover
  - 4.4 erosion, mudslide, or any other earth movement or collapse unless the damage or loss arises out of an earthquake, explosion or aircraft
  - 4.5 normal settling, seepage, shrinkage or expansion in Buildings or foundations including tennis courts
  - 4.6 solid floor slabs or any other part of the Buildings resulting from the movement of such slabs unless the foundations supporting the external walls of the Buildings are damaged by the same cause at the same time
  - 4.7 hydrostatic pressure, changes in the water table or acid mine drainage
  - 4.8 error or omission in design, plan or specification, or failure of design
  - 4.9 incorrect siting of any Building
  - 4.10 faulty materials or faulty workmanship
  - 4.11 accidental breakage unless covered more specifically under the Glass and Sanitary ware and Marble and Granite tops extension
  - 4.12 chipping or lifting of swimming pools, spas, tennis court, patios, terraces, driveways, paths, septic or

- conservancy tanks and their surrounds including tiles and paving unless the Buildings are damaged at the same time by the same cause which cause is not excluded
- 4.13 inherent vice or latent defects
  - 4.14 rates, taxes and expenses
  - 4.15 kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat
  - 4.16 theft unless accompanied by violent and forcible entry into or exit from an insured Building or portion thereof. However, theft of fixtures and fittings does not require violent and forcible entry or exit but any claim's occurrence is limited to the amount as reflected on the schedule
  - 4.17 malicious damage unless criminal charges are pressed against the perpetrators where known or suspected and not withdrawn
  - 4.18 lack of maintenance or any other failure to keep any Insured Property in good repair
  - 4.19 mechanical, hydraulic, electrical or electronic breakdown, unless and to the extent more specifically insured under the Machinery Breakdown extension and Specified All Risks section
  - 4.20 change in texture or finish
  - 4.21 mildew, mould, contamination, disease, wet or dry rot, change of colour, markings, abrasions, oxidation, evaporation, dampness of atmosphere or variations in temperature, wear and tear, corrosion, rust or oxidation, fading, chipping, scratching or marring
  - 4.22 removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair
  - 4.23 roots of trees or other plants, or their branches
  - 4.24 the cost of replacing or reinstating property damaged with a more superior or more extensive type or quality of finish than the Insured Property when new
  - 4.25 sea or waves, except to the extent covered by a tsunami or cyclone
  - 4.26 smoke, soot or smut
  - 4.27 the actions of birds, vermin, moths, termites or other pests
  - 4.28 gradual deterioration or developing flaws, concrete or brick 'cancer', normal upkeep or as a result of the Buildings being declared to be uninhabitable or unfit for use or deemed to be destroyed

## Extensions of Cover

### 1. Loss of Rent cover

In the event of an individual unit or any part thereof being damaged so as to be rendered uninhabitable and Our admitting to liability, We shall indemnify You but only for the period necessary for reinstatement and for an amount not exceeding that percentage of the sum insured as set out in the Schedule on the individual unit against:

***in respect of Rented Property:***

- 1.1. loss actually incurred in respect of rent, or
- 1.2. similar expenses incurred in obtaining similar alternative accommodation for the tenant

***in respect of Owner residing at the Property:***

- 1.3. the reasonable costs necessarily incurred by You to secure similar alternative accommodation

### 2. Subsidence and landslip extension definitions

**Definitions applying to both Limited cover and Full cover**

**2.1. Subsidence:**

the downward movement of a site on which Buildings may or may not stand, from causes unconnected with the Building

**2.2. Landslip:**

the downward or sideways movement of sloping ground resulting from the action of self-weight stresses and imposed loadings exceeding the available strength of the ground, including liquefaction

**2.3. Heave:**

movement of the Building upwards and outwards as a result of an excess of water causing the ground to expand

**2.4. 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 it is unpredictable

**2.5. Active soils:**

a soil that changes in volume to varying degrees in response to changes in moisture content

**3. Subsidence and landslip extension – Limited Cover** (if stated in the schedule to be included)

**3.1.** Cover is extended to include loss of or damage to the Building caused by subsidence, landslip or heave of the land supporting the Building **provided such loss or damage is not caused by or does not arise from:**

**3.1.1.** excavations other than mining excavations

**3.1.2.** alterations, additions, or repairs to the Building

**3.1.3.** the compaction of infill

**3.1.4.** defective design, materials, or workmanship

**3.1.5.** settlement, shrinkage, creeping, heaving or expansion of the Building

**3.1.6.** or is aggravated as a result of dolomite or limestone

**3.1.7.** any gradual movement of the site upon which the property is constructed

**3.1.8.** damage to drains, water courses, boundary walls, retaining walls (unless specifically agreed in writing), gates, posts, and fences

**3.1.9.** faulty design or construction of, or the removal or weakening of support to any Building situated at the Insured Property

**3.1.10.** workmen engaged in making any structural alterations, additions or repairs to any Building situated at the Insured Property

**3.1.11.** active soils

**3.1.12.** 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

**3.1.13.** interference, removal or weakening of support to any Building

**3.1.14.** the rise in the water table or pressure caused by it, including acid mine

**3.1.15.** leaking taps, leaking pipes or leaking swimming pools

**3.1.16.** coastal or river erosion

**3.2** We will not be liable for:

**3.2.1** work necessary to prevent further loss or damage due to subsidence, heave or landslip

**3.2.2** consequential loss of any kind whatsoever

**3.2.3** damage existing at commencement of cover

In the event of loss or damage to the Buildings You will be responsible for any first amount payable in the Schedule calculated at 1% of the sum insured for the Building as stated in the schedule

**4. Subsidence and landslip extension - Full Cover** (if stated in the schedule to be included)

**4.1.** This full cover is dependent upon a satisfactory Geo-Technical report that is acceptable to Us and after We have agreed to provide the Full Cover in writing. We may require further reports from engineers and other professional bodies

**4.2.** We shall indemnify You for damage caused by subsidence, landslip or heave, provided that You will bear the first portion of each and every claim up to an amount calculated at 1% of the sum insured for the

Building as stated in the schedule

**4.3. This extension does not cover:**

- 4.3.1. damage to drains, water courses, boundary walls, gates, posts and fences unless specifically insured
- 4.3.2. damage caused or attributable to:
  - 4.3.2.1. faulty design or construction of, or the removal or weakening of support to any Building situated at the Insured Property
  - 4.3.2.2. workmen engaged in making any structural alterations, additions or repairs to any Building situated at the Insured Property
  - 4.3.2.3. excavation on or under land other than mining excavations
- 4.4. consequential loss of any kind whatsoever except for loss of rent
- 4.5. normal settlement, shrinkage or expansion of the Building
- 4.6. active soils, except where professional engineering design precautions have been implemented during construction
- 4.7. the densification of made up ground or infill or by inadequate compacting of filling
- 4.8. damage from a cause which existed prior to the commencement of the policy
- 4.9. 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
- 4.10. 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
- 4.11. In any action suit or other proceeding where We allege 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.

**5. Power Surge Clause**

- 5.1. Cover is provided for loss or damage to Your machinery, electrical or electrical equipment on condition that Power Surge Protection equipment as specified by "S.A.B.S. Code of Practice" for surge protection is installed.
  - 5.1.1. Surge protection will not be effective if all conductive services (for example, power supply plugs, aerials, telecommunication lines, and data lines) that enter or leave the premises are not adequately protected by Power Surge Protection Equipment
  - 5.1.2. Due to the complex nature of the subject, professional advice should be sought
- 5.2. All loss or damage to Your machinery, electrical or electrical equipment caused by power surge on the power line will be limited to R10,000 any one unit and R300,000 any one event and in the annual aggregate for all units.
  - 5.2.1 You shall be responsible for 10% of claim min R2 000 if the main electrical distribution board of the Property is protected with surge protector, lightning arrestor or other protection device installed by a qualified electrician and certified to be compliant with SANS 10142-1 regulations,
  - 5.2.2 You shall be responsible for 35% of claim min R5 000 if the main electrical distribution board of the Property is not protected by surge protector, lightning arrestor or other protection device installed by a qualified electrician and certified to be compliant with SANS 10142-1 regulations.

**6. Prevention of access extension**

- 6.1. If property within a 5 km radius of the physical address of the Body Corporate complex is damaged by fire, wind, earthquake, storm or water (excluding snow and ice) during the period of insurance and this prevents the use of or access to the Insured Property, We will pay any loss of rent or costs of alternative accommodation of a similar type You may incur as a result thereof up to an amount not exceeding that percentage as set out in the Schedule in respect of Loss of Rent of the sum insured on the affected

property

- 6.2. The basis of calculation shall be the rent payable immediately preceding the damage or its equivalent in rental value

## 7. Building Modifications clause

- 7.1. The insurance under this extension covers alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to the Insured Property for an amount not exceeding the amount as set out in the Schedule of the sum insured thereon, it being understood that You undertake to advise us each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon
- 7.2. Alterations, additions and improvements not declared to Us after the quarter, are not covered in terms of this policy

## 8. Demolition and Professional fees

- 8.1. We will pay reasonable costs necessarily incurred by You with Our written consent:
- 8.1.1. in demolishing the Building, removing debris from the site and erecting hoardings/boarding up required for building operation
  - 8.1.2. for architects' quantity surveyors' and consulting engineers' fees
  - 8.1.3. for local authorities' scrutiny fees
- following total or partial loss or damage to the Building and for which We have accepted liability
- 8.2. Settlement shall not exceed 15% of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected

## 9. Fire extinguishing charges clause

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

Limit shall be R5 million.

## 10. Public Authorities requirement clause

- 10.1. The insurance under this section includes such additional cost of repairing or rebuilding the damaged Insured Property incurred solely by reason of the necessity to comply with Building or other regulations passed by any provincial, municipal or other local authority, provided that:
- 10.1.1. the amount recoverable under this clause shall not include:
    - 10.1.1.1. the cost incurred in complying with any of the aforesaid regulations:
      - 10.1.1.1.1. in respect of damage occurring prior to the promulgation
      - 10.1.1.1.2. in respect of damage not insured by this section
      - 10.1.1.1.3. under which notice has been served upon You prior to the happening of the damage
      - 10.1.1.1.4. 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
    - 10.1.1.2. 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
    - 10.1.1.3. 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
  - 10.1.2. the work of repairing or rebuilding must be commenced and carried out with reasonable

- dispatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to Our liability under this clause not being increased
- 10.1.3. if Our liability under any item of this section apart from this clause shall be reduced by the application of any of the terms, exceptions and conditions of this section, then Our liability under this clause in respect of any such item shall be reduced in like proportion
  - 10.1.4. the total amount recoverable under any item of this section shall not exceed 10% of the sum insured of the Building

## 11. Temporary removal clause

Landlord's fixtures and fittings are covered while temporarily removed to any other premises including transit by road, rail or inland waterway anywhere within South Africa provided that the amount payable under this clause shall not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed

Limited to R10,000 any one unit and R50,000 all units in the annual aggregate

## 12. Tenants clause

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

## 13. Escalator clause extension

During each period of insurance, the sums insured of the Building shall be increased by that portion of the percentage specified in the schedule which the number of days since the commencement of such period bears to the whole of such period

## 14. Interest of the Mortgagee

14.1. This insurance as to the interest of the Mortgagees in the Buildings, improvements, landlord's fixtures and rent insured only shall not be invalidated by:

- 14.1.1. any act or neglect of the Body Corporate or any of the owners of units as defined in the Act, or
- 14.1.2. by any misrepresentation or non-disclosure by the Body Corporate or any of the owners of the units at the time when the insurance is affected or renewed or during the currency thereof, or
- 14.1.3. by the alienation of the property, or
- 14.1.4. by the occupation thereof for purposes more hazardous than are permitted by the policy provided that:
- 14.1.5. such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been affected without the knowledge of the Mortgagee, and
- 14.1.6. the Mortgagees shall notify Us of the happening of existence of such act, neglect, misrepresentation, non-disclosure, alienation occupation as soon as same shall come to their knowledge
- 14.1.7. Mortgagees shall, on reasonable demand, pay the additional charge for any increase of hazard as provided by Us, for the time such increased hazard may be, or shall have been, assumed by Us during the continuance of the insurance, and
- 14.1.8. any compensation payable in terms of this section shall be payable direct to the Mortgagees of the particular unit in the order of preference of their bonds up to the value allocated to the particular unit in this policy or the aggregate of the amounts due by the unit owner to the mortgagees under their mortgage bonds, whichever is the lesser

14.2. All and any amounts becoming payable by Us under this insurance policy as a result of damage to or

destruction of the Buildings, improvements or landlord's fixtures shall, unless otherwise resolved or ordered in terms of the Act, be wholly applied to the reinstatement of such damage. If it is resolved or ordered in terms of the Act that such damage should not be reinstated, the proceeds of any claim applicable to the unit shall be made in the first place to the Mortgagees of the particular unit in the policy or the aggregate of the amounts due by the unit owner to the mortgagees under their mortgage bonds, whichever is the lesser

- 14.3. The Condition of Average Clause incorporated within the policy applies to the individual units (excluding the owner's interest in the land) and not to the Insured Property as a whole
- 14.4. No amount shall be payable in terms of this policy except in the event of actual physical damage to or destruction of the Insured Property, notwithstanding that the Insured Property may have been deemed to have been destroyed in terms of the Act

## 15 Glass and Sanitary ware

- 15.1. Cover is provided for accidental breakage of glass, mirrors and sanitary ware up to the limit as set out in the Schedule, provided it constitutes a fixture to the Building
- 15.2. The Buildings must be furnished and occupied at the time of the accidental breakage
- 15.3. Chipping, scratching and disfiguration are not covered

## 16 Marble and Granite tops

- 16.1. Cover is provided for accidental damage to marble and granite tops, provided it constitutes a fixture to the Building, the limit of which will not exceed the sum stated in the Schedule
- 16.2. The Buildings must be furnished and occupied at the time of the accidental breakage
- 16.3. Chipping, scratching and disfiguration are not covered

## 17 Security Guards Costs to Temporarily Safeguard Premises

- 17.1. Cover is limited to the amount as stated in the Schedule in the annual aggregate, for guards to protect Your Building following a claim
- 17.2. This extension is only available where it can be shown the security of the complex has been compromised by the incident giving rise to the claim

## 18 Damage to gardens and landscaped gardens

Cover is limited to the amount as stated in the Schedule per insured event in the annual aggregate, for the replacement of trees, plants or shrubs on the common property, including cost of restoring landscaped gardens (water features, rock pools, fountains, statues, sculptures, and the like) following damage by fire, firefighting operations, explosion, impact, aircraft or other aerial devices or articles dropped there from, or Malicious Damage

## 19 Builders risk

- 19.1. All building and alterations must comply with the requirements as set out in the Act
- 19.2. Whilst the Building is being erected or structurally altered, there is no cover for:
  - 19.2.1. Glass and sanitary ware
  - 19.2.2. Loss of rent
  - 19.2.3. Public liability
  - 19.2.4. Public Supply connections
  - 19.2.5. Damage to Your garden

arising directly or indirectly from the building operations

## 20 Loss of water by leakage

- 20.1. We will indemnify You for costs of water lost through leakage from pipes on Your property where You are

responsible to pay the charge for such water subject to the following:

- 20.1.1. in the event of the monthly reading of water consumption exceeding the average of the last twelve-monthly readings by 50% or more We will indemnify You for the cost of such additional water consumed up to a limit as stated in the Schedule in any 12-month period of insurance
- 20.1.2. **We shall not be liable for more than two separate incidents in any twelve-month period of insurance**
- 20.1.3. it shall be a condition precedent to liability under this extension that You shall upon discovery of a leak (by physical evidence or on receipt of an unusually high-water account) take immediate steps to repair the pipes affected
- 20.1.4. We shall pay for the costs of locating the leaks and affecting the necessary repairs to the pipes subject to a limit as set out in the Schedule for any 12-month period of insurance
- 20.1.5. **We shall not be liable for claims:**
  - 20.1.5.1. **as a result of leaking taps, geysers, toilet systems, storage tanks and swimming pools**
  - 20.1.5.2. **whilst the property is unoccupied for a period in excess of 30 days**
  - 20.1.5.3. **for loss of water from a swimming pool as a result of a leaking inlet or outlet pipe, or the costs of filling the pool ups**
  - 20.1.5.4. **as a result of an intentional act by You or a person acting on Your behalf or employed by You**
  - 20.1.5.5. **if You do not take immediate steps to minimize or stop such loss when You become aware of it**

## 21 Removal of Fallen Trees and Tree Felling

21.1. We will pay the costs necessarily incurred by You with Our written consent:

- 21.1.1. for the removal of fallen trees from the property,
- 21.1.2. removal of a tree which is about to fall as a result of a peril, and cause damage as a result of a claim for which We have accepted liability, up to limit in the Schedule per unit owner, in any 12- month period of insurance and R20 000 in the annual aggregate all units

## 22 Locks, keys, tags and remote controls clause

Subject to the limit of indemnity stated in the Schedule, We will indemnify You in respect of the cost of replacing locks, keys, tags and gate remote controls to the Building following upon the disappearance or theft of any keys, tags and gate remote controls to the units or should You have reason to believe that any unauthorised person may be in possession of a duplicate of such keys, tags and gate remote controls, provided that We shall not be liable for more than two claims in any 12-month period of insurance for all units in the aggregate

## 23 Temporary repairs and measures after loss clause

The insurance under this section is extended to include all reasonable costs and expenses incurred by You in effecting such temporary repairs and by taking such temporary measures as may be reasonably necessary after loss of or damage to the Insured Property by any peril hereby insured against limited to the amount in the Schedule

Limited to R10 000 any one event and R20 000 in the annual aggregate

## 24 Office Contents and Electronic Equipment

24.1. We shall indemnify You for any loss of or damage to the Office Contents including Electronic Equipment belonging to You or for which You are responsible, and property owned by any Trustee or employee up to the limit as stated in the schedule while contained in the Body Corporate offices save that the limit in respect of Electronic Equipment shall not exceed R50,000 in respect of any one loss occurrence

24.2. Cover is extended to include:

- 24.2.1 theft accompanied by forcible and violent entry into or exit from the Body Corporate office or



- any attempt thereat
- 24.2.2. loss of or damage arising accidentally to documents normally kept at the office premises, limited to the amount in the Schedule. The term “documents” shall mean films, tapes, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates, documents and similar written, printed or otherwise inscribed papers and documents used by You in the business of the Body Corporate 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 certain sum in money and any written evidence of indebtedness or obligation and computer software and computer data-carrying media** unless otherwise stated in the Schedule
- 24.2.3. the reinstatement of data which has been lost as a result of an indemnifiable event in respect of the Electronic Equipment not exceeding R10,000 in respect of any one loss occurrence
- 24.3. **Cover in respect of Electronic Equipment excludes:**
- 24.3.1. **loss or damage of whatsoever nature arising directly or indirectly out of or in connection with any action of any computer virus, Trojan or worm or other similar destructive media**
- 24.3.2. **loss or damage occurring during the currency of a manufacturer's guarantee** unless a claim is first made against the guarantor

## 25 Money

- 25.1. We shall indemnify You for loss of money held by the Trustees for and on behalf of the Body Corporate limited to the amount as stated in the Schedule for any 12-month period of insurance:
- 25.1.1. that is stolen from the Trustee obtained by violence or threats of violence
- 25.1.2. from any safe, strong room with a SABS Category 1 grading or better while at the Insured Premises resulting from the theft or any attempt thereat
- 25.2. We shall indemnify You for loss or damage to clothing and personal effects of any Trustee or employee of the Body Corporate resulting from the theft or any attempt thereat of money shall be limited to the amount as stated on the Schedule
- 25.3. The following definitions shall apply:
- 25.3.1. Money shall mean cash, bank and currency notes, cheques, postal orders, money orders, current negotiable postage stamps, cellphone airtime vouchers, certificates or other instruments of a negotiable nature, Your property or for which You are responsible
- 25.3.2. Clothing shall mean clothing and personal effects not otherwise insured belonging to the Trustee or Body Corporate employee
- 25.4. **We shall not be liable for loss of or damage to money:**
- 25.4.1. **arising from dishonesty of any Trustee or persons in Your employ**
- 25.4.2. **arising from shortage due to error or omission**
- 25.4.3. **arising from the use of keys to any safe or strong room** unless the keys are obtained by violence or threats of violence
- 25.4.4. **in or from any vehicle.** This exclusion shall not apply following an accident involving such vehicle rendering said person incapacitated
- 25.4.5. **while in transit to or from any financial institution unless in the custody of two authorised persons if such amount is in excess of R10,000**

## 26 Machinery Breakdown

### Defined events

- 26.1. We provide cover against sudden and unforeseen physical damage to the insured machinery described below up to the limit as set out in the Schedule'

Limited to R10 000 per unit and R200 000 in the annual aggregate (all units)

### Item Description of Machinery

- 26.1.1. air-conditioning plant, saunas, spa baths, jacuzzis, borehole pumps, automatic gates, garage

- doors, electrical switchgear,
  - 26.1.2. lift room machinery and equipment and all associated shafting and controlling switchgear, escalators
  - 26.1.3. heat pumps and boilers (which items shall be itemised on the schedule and a separate premium charged)
- forming part of the Building whilst it is at work or at rest or whilst being dismantled for the purpose of cleaning, inspection and overhaul or removal to

- 26.1.4. 26.1.2 and 26.1.3 which are not the subject of a regular maintenance agreement
- 26.1.5. damage resulting from experiments, overloading or tests
- 26.1.6. any cost of replacing, reinstating or making good wear and tear, gradual deterioration, expendable parts, corrosion, erosion, deposit of scale, sludge or other sediment or any other direct consequence of progressive or continuous influence from working or atmospheric or chemical action, rust or scratching of painted or polished surfaces
- 26.1.7. damage due to explosion
- 26.1.8. damage for which the manufacturer, supplier or lessor is responsible
- 26.1.9. an excess of 10% of the claim with a minimum of R1,000

## 26.2. Specific condition

- 26.2.1. You shall take reasonable precautions to ensure that the machinery is maintained in good working order and neither habitually nor intentionally overloaded and that all regulations relating to the operation of the machinery are observed
- 26.2.2. The heat pump must be installed in accordance with SANS specification 1352 and any subsequent amendments, and must have a Plumbing Industry Regulation Board Certificate of Compliance Certificate issued
- 26.2.3. The Boiler requires a rational design from a registered professional engineer. The design engineer must provide acceptable installation drawings as part of the design and sign off on the completed works.

## Basis of Indemnity

- a. In cases where damage to an Insured item can be repaired, We will pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability or in the event that You have already repaired the machine, We will pay the reasonable costs incurred by You. No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage will be taken into account.
- b. In cases where an Insured Item is destroyed, We will pay the actual value of the item immediately before the occurrence of the loss or supply the same or similar machine with the same capacity multiplied by the life expectancy remaining (expressed as a percentage) of the Insured Item as per the manufacturer.
- c. If at the time of the damage the sum insured is lower than the installed new replacement value, then You will be considered to be Your own insurer for the difference and will bear a rateable share of the loss accordingly. Every item of machinery will be separately subject to this condition.

## 27 Contents

- 27.1. We shall indemnify You, up to the limit as stated in the schedule for any one event in the annual aggregate, for loss of and or damage arising from fire or storm to the unfixed / moveable property belonging to the Body Corporate (or for which they are responsible) including:
  - 27.1.1. computers and electronic equipment;
  - 27.1.2. furniture, equipment and furnishings of reception areas, foyers, gate houses, office, clubhouses, laundries, and gymnasiums and the like;
  - 27.1.3. garden furniture;
  - 27.1.4. tools, gardening, cleaning, and maintenance equipment;
  - 27.1.5. any additional item specified in the schedule.
- 27.2. The following contents are excluded:
  - 27.2.1. gardens, plants, lawns, trees, gravel, pebbles, rocks, stones, soil, sand, bark, or mulch except

- as covered under landscaped gardens following damage;
- 27.2.2. unfixed / moveable property owned by unit owners, shareholders, directors, members, proprietors or another person, or party;
- 27.2.3. stock in trade;
- 27.2.4. pets, domestic animals, and livestock;
- 27.2.5. cash, credit cards, sim cards, or any other negotiable instruments;
- 27.2.6. any vehicles or crafts or any of their accessories or spare parts including but not limited too: motor vehicles, motorcycles, mini-motorcycles, motorized scooters motorized bicycles, golf carts, or quad bikes, caravans, trailers, mobile homes, or any of their contents, aircraft, watercraft, or any part thereof, tractors, backhoes, bobcats, earth dozers, or front end-loaders.

Limited to R50,000 any one event and R100,000 in the annual aggregate

## 28 Reward for Information

We will pay a reward up to the amount stated in the schedule for information leading to the arrest and conviction of any person found guilty of arson, theft or malicious damage to Your Building

Limited to R20 000 per annual period

## 29 Intercom system SIM card

We will pay, up to the amount stated in the schedule, limited per event, for charges levied to unauthorised telephone numbers following theft of a sim card from the intercom system belonging to the Body Corporate

Limited to R5 000 per event

## 30 Temporary accommodation for Pets

30.1. We will pay, up to the amount as stated in the schedule per unit owner and in the annual aggregate, for the reasonable cost of temporary accommodation for pets owned by a unit owner:

- 30.1.1. if Your unit is damaged to the extent that it is not habitable, and
- 30.1.2. the unit is Your primary place of residency, and
- 30.1.3. the Pet is kept at this unit, and
- 30.1.4. the temporary accommodation does not allow pets.

Limited to R2,500 per unit owner and R25,000 for all unit owners in the annual aggregate

## 31. Removal and Storage Costs of Owner Occupied

We will pay the reasonable cost, up to the amount as stated in the schedule per unit in the annual aggregate, for the removal, storage and return of any undamaged household contents of owner-occupied units, and only during the period necessary for completion of repairs or reconstruction to the unit as a result of damage not excluded in this section or under the General Exclusions.

Limited to R10 000 per unit owner and R100 000 for all unit owners in the annual aggregate

## 32. Home Modification following a disability

We shall indemnify the unit owner for the fair and reasonable costs of alterations to the unit owner's Dwelling if these are necessary because of an accident that causes bodily injury and leaves the unit owner permanently bound to a wheelchair during the period of this policy subject to the limit as set out in the Schedule per unit in the annual aggregate, in respect of such special alterations.

## 33. Leakage of Fire Extinguishing Installation

We shall indemnify You up to the limit as stated in the schedule per unit in the annual aggregate, for damage caused to the contents by discharge or leakage from any fire extinguishing installation.

Limited to R10 000 per unit and R40 000 for all unit owners in the annual aggregate

## 34. Meeting Room Hire

34.1. We shall indemnify You up to the limit as stated in the schedule per event in the annual aggregate, to hire

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a temporary meeting room for the purpose of holding Annual General Meetings or Committee Meetings, where a designated meeting room within the Insured Property is unable to be used as a result of damage to such room.

34.1.1. The total amount payable stated in the schedule will be limited to all meetings held during the period that is necessary for repairs to be carried out

Limited to R2 500 per event and R10 000 in the annual aggregate

### **35. Generator Hire**

35.1. We will pay for the reasonable hire costs of a generator hired by the Body Corporate up to the limit as stated in the Schedule per event and in the annual aggregate (including the hire of power connecting cables and reticulation) but only in the event:

35.1.1. of damage to any electrical reticulation installed on the Insured Property,

35.1.2. that it becomes necessary to provide electrical power to the Insured Property as it existed prior to the damage,

35.1.3. generator hire is excluded for load shedding or any failure of a public utility to provide electricity

35.2. The total amount payable stated in the schedule will be limited to the period that it takes to repair or replace the electrical reticulation

### **36. Bee Removal**

We will pay for the removal of bees that have settled uninvited on Your property up to the amount as stated in the schedule per unit owner any one annual period.

Limited to R2 000 per unit owner any one annual aggregate

### **37. External signs, blinds and canopies extension**

The insurance granted by this Section includes loss of or damage to fixed external signs, blinds and canopies of the Insured or for which the Insured is responsible up to an amount not exceeding limit as stated in the schedule any one item and in total in respect of any one event.

### **38. Power surge or lightning strikes**

All loss or damage to the property insured, by power surges or lightning strikes will be subject to an additional first amount payable per occurrence.

38.1 10% of claim min R2 000 if the main electrical distribution board of the Property is protected with surge protector, lightning arrestor or other protection device installed by a qualified electrician and certified to be compliant with SANS 10142-1 regulations,

38.2 35% of claim min R5 000 if the main electrical distribution board of the Property is not protected by surge protector, lightning arrestor or other protection device installed by a qualified electrician and certified to be compliant with SANS 10142-1 regulations.

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## TERMS AND CONDITIONS

### 1. Basis of loss settlement

#### 1.1. Partial loss

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

1.1.1.1. You shall be liable for any excess applicable

1.1.1.2. the value of damaged parts which can be used will be deducted from any settlement

1.1.1.3. the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section

1.1.1.4. where the damage is restricted to a part or parts of an insured item, We shall not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the sum insured

1.1.2. The basis of settlement will be as per General Conditions Obsolescence clause

#### 1.2. Total loss

1.2.1. In cases where the Insured Property is totally lost or destroyed, the basis of indemnification shall be the cost of replacing or reinstating on the same site, new property of equal performance and capacity or, if this is impossible, We will replace with property having the nearest equivalent performance and capacity on a similar valued site to the property lost or damaged subject to the limit of indemnity as set out in the Schedule

1.2.2. The work of replacement or reinstatement must be commenced and carried out with reasonable dispatch such that any increase in costs or expenses as a result of any time delay shall not be borne by Us

1.2.3. You shall be liable for the payment of any applicable excess

#### 1.3. Replacement value condition

1.3.1. The basis upon which the amount payable for a claim in respect of Insured Property is calculated shall be either:

1.3.1.1. the replacement of the Insured Property with similar property in a condition equal to but not better or more extensive than its condition when new or

1.3.1.2. the repair of the Insured 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 Insured Property had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the time of the loss or damage, then average shall apply

1.3.1.3. The Obsolescence clause shall specifically apply hereto

### 2. Average

2.1. If at the time of repair, replacement or reinstatement, the sum representing the cost which would have been incurred in repair, replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon at the time of any loss of or damage to such property, then You shall be considered as being Your own insurer for the difference and shall bear a rateable portion of the loss accordingly. This condition shall apply to the individual units and not to the scheme as a whole

### 3. Hire purchase and finance agreements

3.1. Where We have knowledge that the Insured Property or any individual item thereof is the subject of a suspensive sale or similar agreement, payment hereunder shall be made to the owner described therein whose receipt shall be a full and final discharge to Us in respect of loss or damage

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## THE GEYSER SOLUTION

### 1. Geysers Cover

- 1.1. We will indemnify You for the cost of the repair or the replacement, in part or the whole of the geyser. **However, We will not indemnify You for loss or damage to the geyser against faulty materials and workmanship, inherent vice and latent defects within the manufacturer's guarantee or warranty period**
- 1.2. **You shall be liable for the excess as set out in the Schedule.** In the event that You have taken the Standard Geysers Excess Waiver, this excess shall be waived
- 1.3. Limit of indemnity under this section of the policy is restricted to the limit stated in the Schedule:
  - 1.3.1. where the whole of the geyser requires replacement
  - 1.3.2. where one or more parts of the geyser require replacement
- 1.4. The standard geyser is based on a Class B, 400 KPA geyser including standard accessories. Any non-standard geyser or heating system such as but not limited to solar, gas, heat pumps, boilers or hybrids must be specified on the schedule and more specifically underwritten.

### 2. Resultant Water damage following the rupture (bursting) of a geyser

- 2.1. We shall indemnify You the costs of any resultant water damage following the rupture or leak of an installed geyser
- 2.2. **You shall be liable for the excess as set out in the Schedule.** In the event that You have taken the Standard Geysers Excess Waiver, this resultant water excess shall be waived
- ~~2.3.~~ In the event that there is no drip tray, or the drip tray was not installed in accordance with SANS specifications 10254 and 0142 and any subsequent amendments then We shall only indemnify You up to an amount of R10,000 less any applicable excess as set out in the Schedule.

### 3. Definition of geyser (standard geyser)

- 3.1. The geyser unit itself, pipes and fittings including drip trays and pans, within one meter of the geyser unit for the purposes of controlling the water flow to the geyser unit
- 3.2. **The geyser unit cannot hold more than 300 litres. If the geyser unit holds more than 300 litres, then it is deemed to be a boiler and must be covered under Machinery Breakdown**

### 4. Definition of a solar geyser

- 4.1. The core of a solar geyser is a solar collector (flat plate or evacuated tubes) and a storage tank (geyser) and also includes the following where necessary: element, thermostat, safety valve, drain-cock, float valve, pressure reducing valves, vacuum breakers, isolating valves, drip tray
- 4.2. **It does not include circulating pumps, differential thermostat controllers, tempering valve, anti-freeze valves and devices**

### 5. Specific conditions

- 5.1. The geyser must be installed in accordance with SANS specification 10254 and 0142 and any subsequent amendments
- 5.2. The solar geyser must be installed in accordance with SANS specification 10106 and any subsequent amendments, and must have a Plumbing Industry Regulation Board Certificate of Compliance Certificate issued
- 5.3. **We will not provide covers that are provided in terms of a geyser warranty.** Only the manufacturer or its authorised agents may affect repairs or replacements should the geyser still be under the manufacturers' guarantee

## 6. Specific Exclusions

- 6.1. We will not pay for:
  - 6.1.1. Damage directly or indirectly caused by or attributable to, or arising from faulty or defective design, installation or workmanship (unless caused by Our service providers at Our instance), the lack of supply of water, gas, electricity or fuel
  - 6.1.2. Any item forming part of the geyser that is covered by any guarantee or warranty
  - 6.1.3. The cost to attend to:
    - 6.1.3.1. Intelligent meters
    - 6.1.3.2. Ripple relays
    - 6.1.3.3. Faulty circuit breakers
    - 6.1.3.4. Tripped isolator, geyser mains or earth leakage switches
    - 6.1.3.5. Solar geysers not functioning to specification
  - 6.1.4. Damage due to the build-up of lime scale
  - 6.1.5. Damage caused by failure to maintain the geysers as prescribed by manufacturers including but not limited to the replacement of the anti-freeze substance in solar panels
  - 6.1.6. Damage to solar geysers as a result of frost or freeze conditions
  - 6.1.7. Costs to achieve geyser compliance
  - 6.1.8. The repair or replacement of geysers that are not installed in accordance with the prescribed regulations

## 7. Trapdoor / Relocation Extension (if stated in the schedule to be included)

- 7.1. Since November 2018, all new replacement geysers need to be SANS compliant. These new energy efficient geysers are slightly larger in size than the former style of geysers which has resulted in some instances that the geyser can no longer access or fit into its former space
- 7.2. Should the insured select this Trapdoor Extension then We will contribute up to the amount specified in the Schedule per damaged geyser replacement as a contribution towards any necessary costs to increase the trapdoor or to reposition the geyser. **We shall not be liable for any costs that exceed this limit**
- 7.3. If We are unable to fit the geyser into its allocated space or reroute the geyser for whatever reason, then We shall pay You up to the limit of indemnity plus the limit of the Trapdoor Extension in respect of that geyser size less any applicable excess
- 7.4. This Extension is only available to the entire Body Corporate and not individual unit owners

## 8. Environment Friendly Geyser

- 8.1. If Your electric geyser is damaged beyond repair and We agree that it needs to be replaced then should You wish to replace the damaged electric geysers with a solar geyser, hybrid geyser, gas geyser or heat pump then We shall pay You the sum insured for the size of Your damaged geyser less any applicable excess. We shall not be liable to install the ecological geyser

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## LEVY COVER

### DEFINED EVENTS

We will cover You for the direct loss of legally implemented (raised) and recoverable levies, special levies, charges, and interest ("levy"), as contained in and conformed with the relevant community scheme legislation, in respect of each unit claimed for from date of inception of the policy.

#### 1. Specific Exclusions:

- 1.1 The Insurer shall not be liable for:
  - 1.1.1 losses arising directly or indirectly from, or traceable to:
    - 1.1.1.1 levies due by members who have been sequestered, 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
    - 1.1.1.2 levy payment continuance where the unit has been seized or attached in lieu of a debt of the Body Corporate
    - 1.1.1.3 any instance where the member is lawfully entitled to withhold payments to the Body Corporate
    - 1.1.1.4 any levies due by a deceased person, a minor, or a person under curatorship
    - 1.1.1.5 where a Levy Clearance Certificate has already been issued by the insured
  - 2.1.2 any amounts that are not recoverable for any reason whatsoever.
- 1.2 The Insurer shall not pay out levy claims which are submitted more than three months from the levy due date (which date shall be deemed to be the 1st of the month for that levy period).

#### 2. Terms and Conditions

- 2.1 The Levy Default Claims Disbursement shall be an amount of 10% of every default amount that is claimed for by the Insured.
- 2.2 The aggregate amount of outstanding legally recoverable levies for any unit claimed for may never exceed ten percent (10%) of the sum insured value of the unit in respect of which the claim is made.
- 2.3 The Insured must sign all documents, powers of attorney and provide all documentary proof as is required by the Insurer's and the Insured's arrear levy collection service providers (appointed by the Insurer and Insured in terms of the attached Power of Attorney) ("arrear levy collection service providers") who shall take over the right to recover this debt in the name of the Insured before any payment will be made in terms of this cover. **Should the Insured fail or refuse to provide the necessary documents then the Insured shall not be entitled to any cover.**
- 2.4 The Insured shall institute, maintain and continue to employ and enforce all such systems and procedures of administration, accounting, checks and control together with clerical procedures and methods of conducting the business of the Insured as are required for purposes of good governance in terms of the relevant community scheme legislation, the Insured's rules and diligent accounting procedures, to ensure that all entries against members' accounts are accurately recorded in order to be legally recoverable.
- 2.5 The Insured must, upon receipt of any payments by the unit owner of any amount, notify the arrear levy collection service providers or its attorney of such payment and pay over such amounts to the arrear levy collection service providers or its attorney within 7 days of receipt thereof. If the Insured fails to do so the full amount of the claim plus any other amounts due to the arrear levy collection service providers will become immediately recoverable from the Insured.
- 2.6 The Insured shall 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 the Insurer or arrear levy collection service providers from time-to-time which rate shall 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 the Insured's trustees according to the requirements and format as stipulated by the Insurer or arrear levy collection service providers from time to time.
- 2.7 The Insured or any of its 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 the Insurer. Should the Insured,



its 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 the arrear levy collection service providers of all amounts due to it in respect of such unit, the Insured shall immediately be liable to pay to the arrear levy collection service providers any amount not recovered from the unit owner in terms of the Insured's obligations under this policy. This provision shall remain in force after any cancellation of the policy until written notice is issued to the Insured by the arrear levy collection service providers that all claims, and any and all amounts due to the Insured and the arrear levy collection service providers, have been fully recovered.

- 2.8 The Insured is obliged to assist the arrear levy collection service providers to recover the claim, and any and all amounts due to the Insured, Insurer, arrear levy collection service providers, from the defaulting owner 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, where applicable.
- 2.9 The Insured is obliged to adhere to the terms and conditions of the Power of Attorney.
- 2.10 An insurance policy adopted and paid by the Body Corporate that is compliant with the relevant community scheme legislation must be in place at all times.
- 2.11 The Insured hereby warrants that it has complied with all applicable provisions of the aforementioned legislation, including but not limited to, all required notices, attendance, quorum, representation by proxy, voting and recording obligations in relation to any general meetings of the Body Corporate or Trustees of the Body Corporate in accordance with any terms and conditions of this policy. **In the event that any amount is not recoverable by the arrear levy collection service providers as a result of non-compliance with the aforementioned legislation, the Insured shall be liable for such non-recovery together with interest at the rate of 2% per month, calculated and compounded monthly in arrears, from the date of payment of the claim, or portion thereof, to the Insured, which remains unrecovered by the arrear levy collection service providers.** A notification issued to the Insured by the Insurer, its agents or representatives, to the effect that the Insured has breached one of the aforesaid legislative requirements is sufficient proof of a breach.
- 2.12 There shall be no cover for any claim that is submitted to the Insurer after 30 days from the date of cancellation of the Policy or the date that this Levy Cover is cancelled (either at the Insured's or Insurer's insistence for any reason whatsoever).
- 2.13 Interest on arrear levies shall only be paid to the Insured, as part of the claim, up to date of submission of a claim.

### 3. Claims

- 3.1 Any claim per unit must be for an amount more than the franchise amount specified in the Schedule.
- 3.2 Claims must be submitted to the Insurer on a duly completed claim form together with supporting documentation:
  - 3.2.1 Special resolution, duly adopted by the body corporate, for this insurance, as required by section 3(1)(i) of the Sectional Title Schemes Management Act ("ST SMA") read with Regulation 3 of the ST SMA Regulations, 2016
  - 3.2.2 The requisite resolution of the Homeowners Association in order to duly adopt the Levy Cover Insurance Policy
  - 3.2.3 Duly signed trustee or director resolutions, as the case may be, raising levies, and interest, on all arrear levy claims paid out at 2% per month compounded monthly in arrears
  - 3.2.4 Annual / Special General Meeting Minutes
  - 3.2.5 Approved annual budget
  - 3.2.6 The signed Body Corporate's or Homeowners Association's Power of Attorney
  - 3.2.7 The applicable Levy Statement; and
  - 3.2.8 Any further documents and information as may be required by the Insurer.
- 3.3 Any Levy Default Claim Disbursement fee due in terms of the policy will be recovered and retained by the arrear levy collection service providers.

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## SPECIFIED ALL RISK

### 1. Defined events

Loss or damage to the property specified in the Schedule by any accident or misfortune not otherwise excluded

### 2. Replacement value conditions

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

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

OR

2.1.2 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 shall be considered as being Your own insurer for the difference and shall bear a rateable proportion of the loss accordingly

### 3. Specific exclusions

3.1 We shall not be liable for:

3.1.1 loss or damage to property resulting from or caused by:

3.1.1.1 theft from any unattended vehicle in the custody or control of the Trustee or employee of the insured unless:

- a. the property was Concealed and there is evidence of violent and forcible entry into Your Vehicle, or
- b. Your Vehicle is garaged in a locked and secure building at the time of the loss and there is evidence of violent and forcible entry into the building and the vehicle.

For property to be considered "Concealed" then:

- a. it must stored in the cabin of Your Vehicle in an enclosed storage area such as the cubby-hole or in the boot with a full covering in place
- b. if it is in loading area (bin) of a light delivery vehicle:
  - i. such bin must be under a locked and secure cover that is affixed to Your Vehicle. **A canvas does not qualify**
  - ii. that has a canopy then the canopy's windows must be protected by a tinted smash and grab protective film. **There is no cover for the following items:**

- cellphones
- jewellery
- computer, medical, photographic or video equipment
- any item that is valued at more than R100,000

3.1.1.2 it is undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration

3.1.1.3 inherent vice or defect, vermin, insects, damp, mildew or rust

3.1.1.4 the dishonesty of any Trustee or employee whether acting alone or in collusion with others

3.1.1.5 detention, confiscation or requisition by customs or other officials or authorities

3.1.1.6 the amount of any deductible as stated in the Schedule

3.1.2 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

3.1.3 mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded

**Car Jamming extension (if stated in the schedule to be included):**

Notwithstanding 3 above, should You suffer the theft of a Specified Business All Risk item that was Concealed as a result of the “jamming” of Your Vehicle’s locking system so that it is unable to engage the locking mechanism despite Your attempted activation thereof then We shall provide cover for the Specified Item up to a limit of 50% of the value but limited in the aggregate to R50,000 any one claim. If there is CCTV footage confirming that You attempted to engage the locking system, We will pay the claim up to the limit of the specified item as stated in the schedule. You must report the incident to the Police and provide Us with the Police reference

**Electrical Power surge or lightning strike extension**

All loss or damage to Your machinery, electrical or electrical equipment, caused by power surges or lightning strikes will be subject to an additional first amount payable per occurrence

You shall be responsible for the following excess:

- a. 10% of claim min R2 000 if the main electrical distribution board of the Property is protected with surge protector, lightning arrestor or other protection device installed by a qualified electrician and certified to be compliant with SANS 10142-1 regulations,
- b. 35% of claim min R5 000 if the main electrical distribution board of the Property is not protected by surge protector, lightning arrestor or other protection device installed by a qualified electrician and certified to be compliant with SANS 10142-1 regulations.

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## PUBLIC LIABILITY

### 1. Insured events

Damages which You shall become legally liable to pay consequent upon Injury or Damage which occurred in the course of or in connection with the business of the Body Corporate within the territorial limits and on or after the retroactive date shown in the Schedule and which results in a claim or claims first made against You in writing during the period of insurance

### 2. Definitions

#### 2.1 Damage

Loss or physical damage to tangible property or wrongful interference with the enjoyment of rights over tangible property

#### 2.2 Employee

Person employed under a contract of service or apprenticeship with You **but excluding a Managing Agent or their employees**

#### 2.3 Injury

Death, bodily injury, mental injury, illness (mental or physical) or disease of or to any person

#### 2.4 Pollution

The emission, discharge, release, dispersal, disposal, seepage or escape of solid, liquid, gaseous, or thermal contaminants or irritants, including vapours, smell, odours, humidity, fumes, smoke, soot or other airborne particulates, acids, alkalis, chemicals and waste, electromagnetic waves, noise, vibrations, other emission of effluent or noxious substances into or upon the soil, the atmosphere or any watercourse or body of water

#### 2.5 Legal costs

Costs, charges and expenses incurred by Us or by You with the Our prior consent in the defence or settlement of any claim under this section or any action or prosecution brought against You in respect of any injury or damage or other liability as insured in terms of this section of the policy in the representation at any inquest or accident inquiry in respect of injury which may form the subject of indemnity under this section of the policy and in defending any Court proceedings in respect of matters which may form the subject of indemnity by this section of the policy

### 3. The limits of indemnity

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

3.2 In the event of any one originating cause giving rise to a claim or series of claims which form the subject of indemnity by more than one extension of this section, each extension shall apply separately and be subject to its own separate limit of indemnity provided always that the total amount of Our liability shall be limited to the highest limit of indemnity available under any one of the extensions affording indemnity for the claim or series of claims

3.3 Where more than one period of insurance of this section, following its renewal or replacement may apply to an originating cause or source, Our liability will be limited to the maximum limit of indemnity for any one such period of insurance

### 4. Territorial limits

Anywhere in the world but not in connection with any business carried on by You at or from premises outside South Africa

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## Specific exceptions

We will not indemnify You in respect of:

**1. Employees**

Liability consequent upon injury to any employee arising from and in the course of employment by You

**2. Property**

Damage to

2.1 property belonging to You

2.2 property in Your custody or

**3. Professional advice**

Liability consequent upon injury or damage 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 You or at Your direction

**4. Vibration and removal of support**

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

**5. Pollution**

5.1 Liability in respect of injury, damage or loss of use of property directly or indirectly caused by pollution, provided always that this exception shall not apply where such pollution is caused by a sudden, unintended and unforeseen occurrence the cost of removing, nullifying or cleaning up substances resulting from pollution unless the pollution is caused by a sudden, unintended and unforeseen occurrence

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

**6. Fines, penalties etc**

Fines, penalties, punitive, exemplary or vindictive damages

**7. USA and Canada judgements, awards or settlements**

damages in respect of judgements, awards or settlements made within the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part). For the purpose of this specific exception "Damages" shall be deemed to include costs and expenses of litigation recovered by any claimant from You

**8. Events known to the insured**

any claim arising from an event known to You which is not reported to Us prior to the inception of this section

**9. First amount payable**

You shall be responsible for the first amount payable as stated in the schedule in respect of any one claim arising out of any one event or series of events with one originating source or cause. The provisions of this clause shall include legal costs incurred by You. The provisions of this clause shall apply to claims arising from damage or injury and shall apply to legal costs incurred by You

**10. Deliberate or intentional acts**

liability consequent upon injury or damage arising out of the deliberate, conscious and intentional disregard by Your management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim

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## 11. Sexual Molestation

any liability arising out of or in connection with sexual molestation in any form, be that rape; sexual harassment; sexual assault or any other form whatsoever; howsoever that molestation might occur and irrespective the identity or occupation of the perpetrator or perpetrators.

### Specific conditions

#### 1. Claims first made in writing against You

Any claim first made in writing against You and reported to Us shall be treated as if it had first been made against You on the same day that You reported the event to Us

#### 2. Reporting of events after cancellation or non-renewal of this section

In the event of cancellation or non-renewal of this section of the policy, You may report an event to Us within 30 days after the expiry of the period of insurance provided such event occurred during the period of insurance

#### 3. Series of claims from one originating cause

3.1 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 originating cause or source shall be treated as if they all had first been made against You on the date that the event was reported by You, or

3.2 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

#### 4. Manifestation clause

4.1 When the facts do not speak for themselves, and We (that is You and Us) cannot mutually agree when the injury or damage occurred, then for the purposes of determining the indemnity granted, the injury shall be deemed to have occurred when the claimant first consulted a qualified practitioner regarding such injury, whether or not it was correctly diagnosed at the time. If no such consultation took place, then the injury shall be deemed to have occurred when You were first advised of the injury

4.2 The damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown

### Extensions

#### 1. Extended reporting option

1.1 At Your election and subject to payment of an additional premium to be determined and subject to all the terms, exceptions and conditions of this section, We agree to extend the period during which You may report an event for a period to be agreed, but in no circumstances exceeding 36 months (hereinafter referred to as extended reporting period) provided that:

1.1.1 this option may only be exercised in the event of Our cancelling or refusing to renew this section

1.1.2 this option must be exercised by You in writing within 30 days of cancellation or non-renewal

1.1.3 once exercised, the option cannot be cancelled by either of Us (You and Us)

1.1.4 the insured has not obtained insurance equal in scope and cover to this section as expiring

1.1.5 We shall only be liable for a claim which occurred after the retroactive date but prior to date of cancellation or non-renewal

1.1.6 claims first made against You or any reported event by You during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal

1.1.7 the total amount payable by Us for claims made or reported events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the cancellation or non-renewal

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## 2. Additional insured

2.1 We will also, as though a separate policy has been issued to each, indemnify:

2.1.1 in the event of Your death, any personal representative of Yours in respect of liability incurred by You any partner or director or employee of Yours (if You so request) against any claim for which You are entitled to indemnity under this insurance

2.1.2 to the extent required by the conditions of any contract and in connection with any liability arising from the performance of the contract, any employer named in any contract entered into by You for the purpose of the business

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

## 3. Cross liabilities

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

## 4. Employees' and visitors' property

Specific exception 2.2 shall not apply to property belonging to any partner, director or employee of Yours or any visitor to Your premises

## 5. Emergency Expenses Shortfall

We 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.

## 6. Car Parks

We 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

## 7. Tenant's liability

Specific exceptions 2.2 and 2.3 of this section shall not apply to premises occupied by You as tenant (but not as the owner) thereof

## 8. Statutory legal defence costs

We will indemnify You or any employee, partner or director of Yours, up to the limit of R250 000, against costs and expenses not exceeding the amount stated in the Schedule incurred by or on behalf of You, or any employee, partner, or director of Yours with Our consent in the defence of any prosecution of You or any employee, partner or director of Yours arising from an alleged contravention of any statute in the course of the business during the period of insurance provided that:

8.1 in the case of an appeal, We shall not indemnify such person unless a senior council approved by Us shall advise that such appeal should, in his opinion, succeed

8.2 We shall not indemnify such person in respect of any fine or penalty imposed or any loss consequent thereon

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## 9 Wrongful arrest and defamation

- 9.1 The defined events are extended to include damages
- 9.1.1 resulting from wrongful arrest (including assault in connection with such wrongful arrest)
  - 9.1.2 in respect of defamation

## 10 Gratuitous advice

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

- 10.1 arising out of Your insolvency
- 10.2 arising out of financial services or cost estimates provided by You or on Your behalf
- 10.3 arising out of defamation
- 10.4 arising out of design, formula, supervision, treatment or advice given by You or on Your behalf in exchange for a fee
- 10.5 arising out of technical information or advice given in connection with a product

## TRUSTEES (OR DIRECTORS & OFFICERS) INDEMNITY

### 1. Defined events

All sums that the Body Corporate and Trustees shall become legally liable to pay arising out of any wrongful act of a Trustee by the actual or alleged breach of trust, breach of duty, neglect, error, misstatement, misleading statement, omission or other act wrongfully committed or attempted by a Trustee on or after the retroactive date shown in the Schedule and which results in a claim or claims first being made against You in writing during the period of insurance, in the course of acting in his capacity as Trustee of the Body Corporate

### 2. Definition

For the purposes of this insurance, a wrongful act shall be any actual or alleged breach of trust, breach of duty, neglect, error, misstatement, misleading statement, omission or other act wrongfully committed or attempted by a Trustee which arises solely by reason of their acting in their capacity as Trustee of the Body Corporate

### 3. The limit of indemnity

The maximum amount payable under this section is limited to amount as stated in the Schedule any one event or series of events and in all in one (annual) period of insurance

### 4. Corporate Manslaughter means

any proceeding brought against an Insured Person for a gross breach of duty of care causing the death of another person, to the extent and provided that it is applicable in the local legislation.

- 4.1 Corporate Manslaughter Defence Costs  
Costs of defending proceedings brought against an Insured Person for Corporate Manslaughter

### 5. Specific exceptions

- 5.1 We will not indemnify You under this section in respect of:
- 5.1.1 any liability for the payment of VAT
  - 5.1.2 any indemnity claimable or claimed under any other insurance
  - 5.1.3 any Trustee committing any wrongful act knowing such act to be illegal or fraudulent, provided that this exception shall not apply to any innocent party affected by such acts
  - 5.1.4 any first amount stated in the Schedule
  - 5.1.5 any remuneration or other monies for which the Body Corporate or Trustees are legally liable
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- 5.1.6** death, disease or illness of or bodily injury to any of Your employees arising out of or in the course of such employment
  - 5.1.7** death, disease or illness of or bodily injury to any person other than Your employee or loss of or damage to property, unless arising out of advice or omission to perform a professional duty
  - 5.1.8** fines, penalties, punitive, exemplary or vindictive damages
  - 5.1.9** damages including any costs, in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within South Africa
  - 5.1.10** any claim arising from an event known to You
    - 5.1.10.1 prior to inception of this section
    - 5.1.10.2 which is not reported to Us
  - 5.1.11** the consequences of any circumstance known to You at inception of this section and which might reasonably be expected to produce a claim, unless declared in advance by You and specifically accepted by Us in writing
  - 5.1.12** any Claim or Loss or any extension of cover arising out of, based upon or attributable to any criminal act other than costs as allowed for under Prosecution Costs, Corporate Manslaughter Defence Costs, Environmental Violation Defence Costs or permitted advanced Defence Costs as provided for in this Policy
  - 5.1.13** any liability arising out of or in connection with sexual molestation in any form, be that rape; sexual harassment; sexual assault or any other form whatsoever; howsoever that molestation might occur and irrespective the identity or occupation of the perpetrator or perpetrators.

## 6. Specific conditions

- 6.1** Any claim first made in writing against You shall be treated as if it had first been made against You on the same day as You reported the event to Us
- 6.2** In the event of cancellation or non-renewal of the extension You may report an event to Us for up to one month after cancellation or non-renewal, provided such event occurred during the period of insurance
- 6.3** Any series of claims made against You by one or more than one claimant during the period of insurance consequent upon one event or series of events with one original cause shall be treated as if they all had been made against You
  - 6.3.1** on the date that the event was reported by You, or
  - 6.3.2** 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 against You

## FIDELITY GUARANTEE COVER

### 1. DEFINED EVENTS

Cover compliant with the CSOS Act

- 1.1 Loss of money belonging to You (“the Body Corporate only”) or for which You are responsible up to the limit contained in the Schedule sustained as a result of any act of fraud or dishonesty committed by any insurable person and which is first discovered and reported to Us during the policy period or within 30 days of the policy or this cover being cancelled for any reason
  - 1.1.1 For the purposes hereof, any insurable person means the same as set out in the Community Schemes Ombud Act of 2011, being any:
    - 1.1.1.1 Scheme executive,
    - 1.1.1.2 Employee or agent of a community scheme who has control over the money of a community scheme,
    - 1.1.1.3 Managing agent, or
    - 1.1.1.4 Contractor, employee or other person acting on behalf of or under the direction of a managing agent,

who in the normal course of the community scheme’s affairs has access to or control over the monies of the

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community scheme.

## 2. Specific exclusions

2.1 We shall not be liable for:

2.1.1 loss resulting from or contributed to by the fraud or dishonesty of any insurable person from the time You shall become aware or should reasonably be expected to be aware that such insurable person has committed any fraud or dishonesty. Non-disclosure of their own fraud or dishonesty or that of others with whom they are in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section

2.1.2 any consequential losses of any kind

2.1.3 the first amount payable (excess)

2.1.4 any loss arising from a cheque. We do not cover cheques at all

2.1.5 any reckless or inadvertent act

2.1.6 any funds or money that is not Yours or for which You are liable. Specifically, cover is not provided for the money, property or securities of an insurable person, owner, occupier, visitor, guest or anyone else

2.1.7 loss arising from the voluntary surrender or sharing of confidential information which includes but is not limited to the sharing of data as a result of phishing or the “advance scam” (also known as the “419 scam”). Confidential information includes but is not limited to passwords, PINS, other security or access codes

2.1.8 losses that exceed the limit of indemnity. All the covers provided under Defined Events shall be part of and not in addition to the limit of indemnity

2.1.9 any losses that occurred:

2.1.9.1 prior to the retroactive date, or

2.1.9.2 more than 24 months after the fraud was committed, or

2.1.9.3 where any civil claim of recovery against the party committing the fraud has prescribed

2.1.10 any losses discovered later than 30 days after the termination of:

2.1.10.1 this cover, or

2.1.10.2 this policy

2.2 Loss shall not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions, operating or costs and expenses incurred in the normal operating environment

## 3. Specific conditions

3.1 Loss means the direct financial loss sustained by You accompanied by an element of fraud or dishonesty arising from or in connection with any single act or series of related or repeated acts (which shall all be treated as a single act)

3.2 You shall institute and maintain all such systems of checks and controls, accounting and clerical procedures and methods of conducting Your business as are reasonable and applicable as per the Act

3.3 All payments and loading of bank accounts shall be processed using the double authorization process (the person loading the payment or new bank account (“loader”) shall not be the person approving the payment or new bank account (“approver”). Neither the loader or the approver shall have the rights on the banking system to do the other party’s function – e.g. the loader must not have the functionality or permissions to approve a bank account or payment

3.4 Our liability for all losses shall not exceed the sum insured stated in the Schedule whether involving any one insurable person or any number of insurable persons acting in collusion or independently of each other

3.5 Regardless of the number of years any Fidelity Guarantee policy has been in force or may continue to be in force, with respect to the perils covered therein, and the premiums paid or payable in respect

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thereof, Our liability shall not be cumulative in amount from year to year or from period to period and in no case shall exceed the limit of indemnity as stated in the schedule

3.6 If the period of insurance is less than 12 months, Our liability is limited to the sum stated in the Schedule during any 12-month period of insurance calculated from inception or renewal

#### 4. Retroactive cover

4.1 Our cover to You is on a claims made basis. In other words, We provide cover for those losses which are first discovered and reported to Us during the policy period or within 30 days of termination

4.2 We may provide retroactive cover in which case, We will accept as though it were a loss occurring during the Period of Insurance, any loss occurring from the retroactive date but never more than 24 months immediately prior to the inception of this insurance, provided that:

4.2.1 such loss occurred during the currency of Your previous insurance with another insurer and with whom You had taken fidelity guarantee cover in an amount sufficient to cover the claim (failing which Our limit of indemnity will be that amount of fidelity cover at Your previous insurer at termination, but not more than the limit of indemnity as contained in Our Schedule)

4.2.2 You have continued and maintained fidelity guarantee cover from the date of loss with an insurer failing which You shall not be covered at all

4.2.3 such loss is excluded from such previous insurance but only on the grounds that its discovery was not made soon enough

4.2.4 the additional cover granted in this respect shall not be called into contribution by any previous insurer

#### 5 Accountants clause

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

#### 6 Extended cover for past Trustees and Employees extension

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

#### 7 Managing Agents

The events insured against apply to any Managing Agent and their employees appointed by You provided that this extension does not indemnify such Managing Agent against any claim in respect of which they are entitled to indemnity under any other policy of insurance except in respect of any excess beyond the amount payable under such insurance

#### 8 Claims and Subrogation

8.1 We shall make payment of a loss as covered in the Defined Events, to You within a reasonable period after reasonably satisfactory proof of the loss has been furnished to Us

8.2 In the event that We make any payment under this policy, We shall be subrogated to the extent of such payment to all of Your rights of recovery in respect of the payment. You shall execute all papers required and shall do everything necessary to secure any rights including the execution of any documents necessary to enable Us to bring suit in Your name whether such acts shall be or become necessary before or after payment by Us

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## EMPLOYERS' LIABILITY

### 1. Defined events

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

### 2. The limit of indemnity

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

### 3. Specific exclusions

#### 3.1 This section does not cover

- 3.1.1 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
- 3.1.2 liability for disease or impairment attributable to a gradually operating cause
- 3.1.3 fines, penalties, punitive, exemplary or vindictive damages
- 3.1.4 damages or any costs in respect of judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within South Africa
- 3.1.5 any claim arising from an event known to You
  - 3.1.5.1 which is not reported to the company as required
  - 3.1.5.2 prior to inception of this section
- 3.1.6 any claim (in the event of cancellation or non-renewal of this section) not first made in writing against You and advised to Us within one month of cancellation or non-renewal
- 3.1.7 amounts recoverable under The Compensation to Occupational Injuries and Diseases Act 130 of 1992 (as amended) or any other Workmen's Compensation Enactment and /or Occupational Diseases in Mines and Works Act 78 of 1973 (as amended)
- 3.1.8 any liability arising out of or in connection with sexual molestation in any form, be that rape; sexual harassment; sexual assault or any other form whatsoever; howsoever that molestation might occur and irrespective the identity or occupation of the perpetrator or perpetrators.
- 3.1.9 claims arising from illness or disease, or contributed to by prolonged exposure to substances, factors or circumstances peculiar to any particular employment or occupation
- 3.1.10 claims arising out of silicosis, silicotuberculosis or any related disease of the respiratory system

### 4. Specific conditions

- 4.1 Any claim first made in writing against You shall be treated as if it had first been made against You on the same day as You reported the event to Us
- 4.2 In the event of cancellation or non-renewal of the extension You may report an event to Us for up to one month after cancellation or non-renewal, provided such event occurred during the period of insurance
- 4.3 Any series of claims made against You by one or more than one claimant during the period of insurance consequent upon one event or series of events with one original cause shall be treated as if they all had been made against You
  - 4.3.1 on the date that the event was reported by You, or
  - 4.3.2 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 against You

## 5. Principals

- 5.1 Where a principal and You are liable for the same damages and where any contract or agreement between a principal and You so requires, We will indemnify the principal in like manner to You, but only so far as concerns the liability of the principal to an employee as aforementioned for death or bodily injury to or illness of such person resulting from Your or Your employee's negligence, provided that:
- 5.1.1 in the event of a claim in terms of this extension, You shall endeavour to arrange with the principal for the conduct and control of all claims to be vested in Us
  - 5.1.2 the principal shall, as though they were You, fulfil and be subject to the terms, exclusions and conditions (both general and specific) of this policy in so far as they can apply
  - 5.1.3 **Our liability is not hereby increased**
  - 5.1.4 **this extension does not indemnify such Principal against any claim in respect of which they are entitled to indemnity under any other policy of insurance**

## PERSONAL ACCIDENT COVER

1. In the event of Your employee's death or permanent incapacitating disability caused by accidental, violent, external and visible means:
  - 1.1 We shall pay You an amount as set out in the Schedule. This amount shall only be paid once, therefore if Your employee were to suffer permanent disability, and subsequently die from the same cause, We will only pay the amount as set out in the Schedule upon Your employee becoming permanently disabled, and not again when Your employee dies.
2. **Special exclusions to the Personal Accident cover**
  - 2.1 We will not indemnify Your employee for:
    - 2.1.1 bodily injury or illness arising from, or aggravated by, a pre-existing illness or medical condition
    - 2.1.2 any act of deliberate self-inflicted injury or suicide
    - 2.1.3 any result of pregnancy, childbirth, physical defect, infirmity, or existing medical condition, unless We have been told about it and have accepted it in writing
    - 2.1.4 loss if Your employee does not obtain the care of a suitably qualified medical practitioner as soon as possible.
3. Your employee must be a full-time employee and does not include any trustee, managing agent, nursing or home assist staff or doctor
4. The scale of benefit to be paid to be paid in respect of Permanent Disablement is set out below

Description of Permanent Disablement	Percentage of Compensation
Total and permanent disablement arising from any job or occupation	100
Total and permanent loss of both hands and feet or any one hand or one Foot	100
Total and permanent loss of sight in one eye and total and permanent loss of one hand or one foot	100
Total and permanent loss of sight in one or both eyes	100
Total and permanent loss of hearing or speech	50
Total and permanent loss of hearing in one ear	15
Total and permanent loss of one hand	50
Total and permanent loss of arm from the shoulder	75
Total and permanent loss of the forearm	65
Total and permanent loss of one foot	50
Total and permanent loss of the leg above the knee	75
Total and permanent loss of the leg from or below the knee	65
Total and permanent loss of thumb (both phalanges)	25
Total and permanent loss of one thumb (one phalanx)	10
Total and permanent loss of the index finger (three phalanges)	10
Total and permanent loss of the index finger (two phalanges)	8
Total and permanent loss of the index finger (one phalanx)	4
Total and permanent loss of any finger except the thumb and index finger	5
Total and permanent loss of big toe	5
Total and permanent loss of any other toe	1
Any permanent, temporary disablement not mentioned above, except the loss of feeling, taste or smell	A percentage as determined by Us in consultation with Our medical advisor and not contradictory to the conditions as stated above.

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## MOTOR INCLUDING MOTOR BIKES

### 1. DEFINITIONS

- 1.1 Vehicle means a legally registered South African vehicle which is:
  - 1.1.1 a private car, station wagon, bakkie, light delivery vehicle, panel van or such similar Vehicle all of which has a gross vehicle mass not exceeding 3,500 kg
  - 1.1.2 a motorcycle (without a sidecar), scooter
- 1.2 Regular Driver means the person stated in the Schedule who drives that particular Vehicle more regularly than anyone else
- 1.3 Gross Vehicle Mass means the maximum allowable mass of a fully loaded vehicle.

### COMPREHENSIVE COVER

#### 1. OWN DAMAGE COVER

- 1.1 If the Vehicle or any part of it is stolen or damaged, We will at Our election indemnify You by paying for its repair by a repairer acceptable to Us or replacement or paying to You the value of the Vehicle. If the Vehicle is the subject of an instalment sale or lease agreement, then any money due to You will be used first towards the repayment of the debt under the agreement
- 1.2 If within 12 consecutive months of first registration the Vehicle is:
  - 1.2.1 stolen or hijacked and not recovered; or
  - 1.2.2 damaged and the assessed cost of repairs is such that the Vehicle is deemed by Us to be uneconomical to repair, then We shall pay the current purchase price of a new Vehicle of the same or a similar model
- 1.3 If the Vehicle is stolen or declared by Us to be uneconomical to repair more than 12 consecutive months after first registration, then We shall pay the reasonable retail value of the Vehicle at the time of loss or damage
- 1.4 You are liable for the excess portion of every claim and the excess amount is shown in the Schedule
- 1.5 If Your Vehicle is stolen, hijacked or written off then We will not refund to You that amount of the unexpired period of insurance
- 1.6 The value of the Vehicle shall be determined with reference to the Auto Dealers Guide or any other recognised and reputable source in working out values for the Vehicle as at the time of the loss. We may adjust the retail figure to take into account pre-loss condition, mileage, corrosion or other factors that the motor trade considers when determining the retail value of vehicles
- 1.7 **If any part of the Vehicle is not available and this delays the repairs, We will not compensate You for any loss or liability that may arise as a result of the delay**
- 1.8 Any Vehicle accessory that is not a standard factory fitted accessory must be noted specifically in the Schedule

#### 2. TOWING, STORAGE, STAND BY YOU AND GETTING YOU HOME

- 2.1 For You to qualify for any of these covers, You must contact the 1Assist 24-hour Help Desk on 0861 000 286. **If You do not make the arrangements through Us, then You will not be entitled to these benefits.** We will pay all reasonable costs of towing and storage of Your Vehicle damaged in an accident on condition that You arrange the towing through the 1Assist 24-hour Help Desk. They will arrange for someone to tow Your Vehicle to one of Our approved panel beaters that will ensure that Your Vehicle is well looked after and that the repairs are guaranteed
- 2.2 **If You do not use Our 24-hour Help Desk then We will not be liable for any amount in excess of R1,850 for the unauthorised towing and storage charges. You will be liable for the amount exceeding R1,850**
- 2.3 If Your Vehicle is being towed, then You are going to need a lift home and 1Assist will arrange:
  - 2.3.1 for Your safe return home even if We need to arrange a taxi to come and give You a lift home subject to a limit of R500 per event; or

- 2.3.2 car hire if You are further than 100kms from Your home subject to a limit of R500 per event; or
- 2.3.3 emergency overnight accommodation if You are further than 100kms from Your home subject to a limit of R1,500 for one night only
- 2.4 If You are feeling unsafe then We will send an armed security guard to stand by You until help arrives. This service is managed by the “AA Stand By You” and is limited to selected areas of Johannesburg, Tshwane, Midrand, Cape Town, Paarl, George, Hermanus, Port Elizabeth, Durban, Bloemfontein, East London, Kimberley, Pietermaritzburg, Witbank, Rustenburg, Brits, Hartbeespoort, Nelspruit, Polokwane, Welkom and the Vaal Triangle

### 3. DELIVERY AFTER REPAIR

We will pay the reasonable cost of delivering Your Vehicle to Your address which must be within South Africa after it has been repaired

### 4. EMERGENCY-EXPENSES SHORTFALL

If one of Your passengers is injured as a direct result of an accident, We will pay the emergency expenses shortfall in connection with the injury up to R2,500 for each passenger injured

### 5. GLASS

We will pay for the repairs or replacement to window and headlamp glass and We will not recognise it as a claim for the purposes of calculating Your premium

- 5.1 If Your windscreen can be repaired, then You will not pay any excess but if it is replaced there is an excess
- 5.2 There will be no excess should You elect to use Our service providers to replace Your windscreen

### 6. LOSS OF KEYS

If You lose Your keys or remotes, or Your locks are damaged then We will pay for their repair or replacement up to a limit of R20 000

### 7. EMERGENCY REPAIRS AND FURTHER DAMAGE AFTER AN ACCIDENT

- 7.1 If the Vehicle is disabled due to any loss or damage insured under this Policy, We will pay for the reasonable emergency repairs up to an amount of R5,000 without Our prior authorisation on condition that You provide Us with an itemised invoice
- 7.2 If Your Vehicle is in an accident or it breaks down and You use it before it has been repaired, **then We will not be liable for any consequential damage**

### 8. IN THE EVENT OF A HIJACK OR A VIOLENT ACT

- 8.1 For You to qualify for any of these covers, You must contact the ONE Assist 24-hour Help Desk on 0861 000 286. **If You do not make the arrangements through Us, then You will not be entitled to these benefits**
- 8.2 In the event of a hijack or violent act of theft or hold-up of the Vehicle then:
  - 8.2.1 We will compensate You for trauma counselling up to an amount of R2,500 per individual and R10,000 any one event
  - 8.2.2 if Your cell phone is stolen, We will provide You with a cell phone loaded with pre-paid airtime to the value of R100
  - 8.2.3 if Your credit card is stolen, We will provide You with a R500 pre-loaded debit card
  - 8.2.4 if Your house keys and house remote are stolen, We will send a locksmith out to change



- Your stolen locks and remotes up to a limit of R5,000
- 8.2.5 if Your car keys are stolen then We will replace the keys up to a limit of R10,000
- 8.3 Should a claim be made in terms of this section **then no further claim may be made under any other section in this Policy for the same covers. This cover cannot be claimed for more than once**

## 9 CAR HIRE (if stated on the Schedule to be included)

- 9.1 We will arrange and pay for a hired car while Your Vehicle is being repaired or while Your Vehicle has not been recovered after a theft or hijacking and We are finalising Your claim
- 9.2 The hired car must be returned as soon as possible but not later than 12 hours of You being notified that Your Vehicle can be collected or that We have settled Your total loss claim. **You will be liable for all the hiring costs after 12 hours have expired**
- 9.3 **You will be liable for the car hire costs in the event that Your claim is rejected, or Your policy voided**
- 9.4 You will need to sign and agree to the Terms and Conditions of the car hire company in order to obtain a hired car **which includes being held liable for the excess in respect of any damage You may cause to the hired car**
- 9.5 **You will also be liable to pay to the car hire company a deposit**
- 9.6 **Car hire is limited to comprehensively insured motor vehicles only**

## 10. ROADSIDE ASSISTANCE AND TOW-IN

- 10.1 You have access to the following services in the event of a roadside emergency (in other words, the emergency occurred while You were driving) limited to R500 per incident:
- 10.1.1 Flat battery - jump start only (replacement of battery for Your account)
- 10.1.2 Flat tyre (help with change of tyre)
- 10.1.3 Keys locked in vehicle (unlocking only)
- 10.1.4 Fuel assistance (limited to five litres per incident)
- 10.1.5 Minor roadside—running repairs (electrical, coil, immobilizer etc.)
- 10.1.6 We will arrange for Your Vehicle to be towed in to the nearest approved dealership (if under warranty), repair centre or panel beater in the event of:
- 10.1.6.1 Mechanical breakdown – covered up to R500 any one claim
- 10.1.6.2 Electrical breakdown – covered up to R500 any one claim

## 11. Tyre and Rims damage for Sedans and LDVs only (if stated in the schedule to be included)

1. Should You select this cover then:
- a. the Special Exclusion for Own Damage as set out in 1.3 above **(exclusion for damage to tyres, rims, mags or road wheels by application of brakes or by road punctures cuts or bursts caused by obstacles or the inequalities of the road surfaces)** is deleted.
- b. We shall elect to repair any tyres, rims or mags that are damaged and only failing such repair, shall We replace with the same or a similar replacement, or pay for the value of such tyre, rim or mag that was damaged.
- i. Betterment applies. What this means is that the Sum Insured shall be calculated by firstly measuring the remaining tread of the insured tyre. The remaining tread of the insured tyre will be expressed as a percentage of the original tread depth and thereafter multiplied by the purchase price of a new tyre of the same or similar type. The rand value as determined using the above formula shall constitute the credit value which You will be entitled to use towards the purchase of a new tyre.
- ii. If You replaced a damaged tyre, We need the tread depth of the damaged tyre as at the date of the incident to calculate the appropriate credit amount. You must make sure that the tread depth of the damaged tyre as at the date of the incident is set out on the invoice from the tyre fitment centre.
- iii. We shall also pay for the costs of balancing and wheel alignment

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- c. We shall repair, replace or pay cash in lieu only for the damaged tyre, rim or mag.
- i. We shall not pay for the costs to replace all the rims or mags should We be unable to replace it with the same or similar rim or mag. We shall only be liable to pay to You the cost of that rim or mag that was damaged
  - ii. There is no cover or compensation for any other tyre, rim or mag that is not damaged in the event.
- d. The sum insured selected for this cover shall be the total value for all tyres and rims accordingly, the limit of indemnity for any one tyre and or rim or mag any one event shall be limited to 25% of the sum insured selected in the aggregate.
- i. For any further tyres and or rims or mag that are damaged then the limit of indemnity shall be increased by 25% of the sum insured per tyre and or rim or mag combination.
2. If We elect to settle Your claim by way of a cash settlement, then such cash settlement shall not exceed the amount for which We could have settled the claim if We had elected to repair or replace such items.
3. There is no cover while Your Vehicle is not being driven on a public road (being any area that the public has open access to). There is no cover while the Vehicle is being driven off-road or on private land.

## 12. Fire extinguishing charges extension

Any costs, up to the amount stated in the schedule, relating to the extinguishing or fighting of fire shall be deemed to be damage to Your property and shall be payable in addition to any other payment for which We may be liable in terms of this section, provided You are legally liable for such costs and Your property was in danger from the fire.

## 13. Trauma Cover

We will indemnify You for the cost of treatment of any principal, partner, director or employee of Yours undergoing treatment by a registered psychologist as a result of their having been psychologically traumatised as a direct result of violence or threat of violence during theft, attempted theft or hijack.

The indemnity under this extension is limited to the amount stated in the schedule, in respect of any one claim or series of claims from one event.

## 14. SPECIAL EXCLUSIONS FOR OWN DAMAGE COVER

### 14.1 We will not be liable for:

- 14.1.1 more than 5% of the value of Your Vehicle for any type of sound system except if it is the factory fitted original sound system or specified by You on Your Schedule
- 14.1.2 depreciation, loss of value as a result of a loss or damage, gradually operating causes, wear and tear, mechanical or electrical breakdown failure or breakage
- 14.1.3 damage to tyres, mag's, rims, road wheels (unless some other part of the vehicle is damaged at the same time):
  - i. by application of brakes,
  - ii. by road punctures, cuts or bursts,
  - iii. caused by obstacles,
  - iv. caused by the inequalities, or due to impact with such inequalities, or breakup of the road surfaces, potholes, curbs, traffic slowing humps or rumble strips

## LIABILITY COVER

1. We will indemnify You against all sums including claimant's costs and expenses for which You become legally liable for:
    - 1.1 accidental death or bodily injury to any person
    - 1.2 accidental damage to property
  
  2. We will also indemnify any person who is driving or using the Vehicle with Your permission provided such person:
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- 2.1 is not entitled to indemnity under any other policy
- 2.2 has complied with all the terms of the policy as if that person were You
- 2.3 has not been refused any motor vehicle insurance

- 3. We will also indemnify You while driving a Vehicle that is not owned by You nor is it being purchased, leased or hired by You under a credit or similar agreement
- 4. We will instruct and pay for Our own attorneys to represent You in any civil action that is brought or threatened to be brought against You and You must advise Us immediately You become aware of any action or pending action against You in this regard. **You will be liable for all costs of any attorney appointed by You**
- 5. We may arrange for:
  - 5.1 representation at any inquiry into death
  - 5.2 the defence of criminal proceedings arising from any act related to an indemnifiable event

## 6. SPECIAL EXCLUSION FOR LIABILITY TO THIRD PARTIES

- 6.1 We will not be liable for:
  - 6.1.1 death of or bodily injury to:
    - 6.1.1.1 a member of Your family normally resident with You
    - 6.1.1.2 an employee of Yours who is killed or injured in the course of such employment
    - 6.1.1.3 any passenger not being conveyed inside a car or in the permanently enclosed passenger-carrying compartment or cab of any goods-carrying vehicle
    - 6.1.1.4 any person in or on or getting on or off from the back of an open-backed vehicle, scooter, motorcycle
  - 6.1.2 damage to property belonging to or held in trust by or in the custody or control of You
  - 6.1.3 any claim or liability that:
    - 6.1.3.1 is prohibited, limited or covered in terms of the Road Accident Fund Act 56 of 1996 (as amended or replaced) or any similar legislation
    - 6.1.3.2 is caused, sustained or incurred outside the borders of South Africa
  - 6.1.4 compensation which may be claimed from or payable under any compulsory motor vehicle insurance and this exclusion applies whether or not such compensation is claimed, paid or received, whether the applicable legislative entity is unable to or incapable of providing compensation, and notwithstanding that no insurance under any compulsory motor vehicle insurance has been effected;
  - 6.1.5 compensation that can or could be claimed from or payable by the Road Accident Fund in terms of the Road Accident Fund Act 56 of 1996, as amended, or in terms of any legislation enacted for the purpose of providing compensation for loss, damage or liability caused by or arising in connection with an insured vehicle. This exclusion applies whether or not the Road Accident Fund is unable or incapable of paying compensation, or whether compensation is claimed, paid or received, and notwithstanding that no insurance under the said legislation is in force or has been effected.

## GENERAL EXCLUSIONS APPLICABLE TO ENTIRE MOTOR SECTION

- 1. We will not be liable for loss, damage, injury or liability arising while the Vehicle is being driven or used:
  - 1.1 other than in accordance with the Description of Use
  - 1.2 by You while under the influence of intoxicating liquor or drugs or when the blood or breath alcohol concentration exceeds the legal limit
  - 1.3 by any other person You know or could reasonably suspect to be under the influence of intoxicating liquor or drugs or when the blood or breath alcohol concentration exceeds the legal limit
  - 1.4 by You or by any other person with Your permission who does not hold a current licence to drive the Vehicle irrespective of where the Vehicle is being driven

- 1.5 by You or by any other person with Your permission who holds a learner's license but who is not complying with the applicable legislation
  - 1.6 in a condition which does not comply with the provisions and regulations of the National Road Traffic Act No 93 of 1996 or any similar legislation and which as a result thereof contributes or causes to the loss, damage, injury or liability
  - 1.7 by any person who is in possession of a license that has been endorsed or cancelled, whether the endorsement or cancellation is on the license or with the authorities, or who has been convicted of negligent or reckless driving within three years from the date of the accident unless We have agreed to provide the cover in writing
  - 1.8 to convey explosives or other hazardous goods such as nitro-glycerine, dynamite, chemicals, compressed gasses, gasses in liquid form, hazardous waste or liquid petroleum
  - 1.9 outside South Africa
- 2 We will not be liable for any claim or liability:
- 2.1 while a goods vehicle is being used to carry goods for business or professional purposes
  - 2.2 arising out of contract
  - 2.3 arising from consequential loss
  - 2.4 caused by theft arising from fraudulent devices or means
  - 2.5 following any exchange or sale transaction (whether complete or incomplete) including theft through false pretences or fraud

## SPECIAL CONDITIONS

### 1. FIRST AMOUNT PAYABLE

- 1.1 You will be responsible for the first amount payable shown in the Schedule which will be calculated separately for each Vehicle

### 2. DESCRIPTION OF USE

- 2.1 Where the Class of Use is shown in the schedule as Private the Vehicle is only insured whilst being used for private, domestic and pleasure purposes including travel to and from work, but You will not be insured for business and professional purposes, hiring, carriage of passengers for hire or carriage of fare-paying passengers, driving instruction for reward, racing, armed response or reaction, speed or other contests, rallies, trials or use for any purpose in connection with the motor trade
- 2.2 Where the Class of Use is shown in the schedule as Business the Vehicle is only insured whilst being used for private, domestic, pleasure, business and professional purposes, including travel to and from work but You will not be insured for hiring, carriage of passengers for hire or carriage of fare-paying passengers, commercial travelling, driving instruction for reward, racing, armed response or reaction, speed or other contests, rallies, trials or use for any purpose in connection with the motor trade
- 2.3 The term "motor trade" will not invalidate any cover provided to You while the Vehicle is in the custody or control of any member of the motor trade and used for its maintenance or repair

### 3. VEHICLE SHARING

- 3.1 The acceptance of payment for giving lifts to passengers, when it is part of a vehicle sharing agreement for social purposes or commuting, will not be regarded as excluded under the Description of Use conditions, provided that:
  - 3.1.1 the passengers are not being carried in the course of a passenger-carrying business
  - 3.1.2 no payment received for such journeys involves any element of profit

### 4. TRAFFIC OFFENCES

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- 4.1 It is a condition of this insurance that You notify Us in writing immediately:
- 4.1.1 any driving licence issued to You or Your authorised driver is endorsed, suspended or cancelled
  - 4.1.2 You or Your authorised driver is convicted of reckless and negligent driving
  - 4.1.3 You or Your authorised driver is convicted of driving under the influence of alcohol or drugs or of driving with a blood alcohol concentration level that exceeds the legal limit

## 5 CARE OF VEHICLE

You shall take all reasonable steps to protect and maintain the Vehicle in accordance with the roadworthy requirements of any legislation applying within the territorial limits. We will have the right of access to examine the Vehicle or any part of it at any time

## 6 LAYING A CHARGE

You must lay a criminal charge within 48 hours of such unlawful use (which charge may not be withdrawn) against anyone who uses the Vehicle without Your knowledge or consent. **If You withdraw the charge without Our consent, then You shall repay all amounts paid for Your claim**

## 7 VEHICLE TRACKING WARRANTY (Applicable only if shown in the Motor schedule to apply)

- 7.1 If We insist upon a Vehicle Tracking Unit then You will be deemed to have warranted that an approved tracking and recovery system is installed in the Vehicle and is kept fully operational under a contract with the service provider throughout the currency of this Policy
- 7.2 **Should it be established that You have not complied with this warranty, You will not be indemnified for theft or hijacking.**

## 8 SECURITY DEVICES

**If You have declared any security devices to Us or should We require any such security device, then the security device must be in working order and applied at the time of the loss failing which We shall not be liable for loss or damage resulting from theft.**

## 9 SPARE PARTS CLAUSE

If any part, accessory or fitment needing to be repaired or replaced, following insured damage to the Vehicle being unobtainable in South Africa, Our liability shall be limited to payment of a sum equal to the value of a standard ready manufactured part, accessory or fitment at the date of loss or damage, **but not exceeding the manufacturer's latest list price**

## 10 EXCESS WAIVER

- 10.1 The Excess Waiver Extension will pay Your basic excess.
- 10.2 **It will not pay any punitive or additional excesses that may apply to Your claim**

## 11 CREDIT SHORTFALL

- 11.1 If the Vehicle comprehensively insured under this section is stolen or hijacked and not recovered, or, if the Vehicle is in Our opinion damaged beyond economical repair, We will pay to the finance company any difference between the reasonable retail value and the settlement balance outstanding under a valid financing agreement **subject to the total payment not exceeding the limit of indemnity stated in the Schedule, less the first amount payable**
- 11.2 The settlement balance outstanding is defined as the payment due at any specified date that would settle the actual debt owing to the finance company **but excluding:**
  - 11.2.1 **payments and interest in arrears**
  - 11.2.2 **any additional finance charges**

- 11.2.3 early settlement penalties
  - 11.2.4 any other amounts refundable to You, and
  - 11.2.5 any legal costs owing to the finance company by You
- 11.3 Cover under this extension is subject to You providing Us within 30 days of the loss or damage with a certified copy of the finance agreement and a statement of Your account reflecting the settlement balance outstanding as at the date of loss or damage

## **OPTIONAL REDUCED MOTOR COVER LIMITATIONS** (if stated in the Schedule to be applicable)

### **1. THIRD PARTY, FIRE & THEFT**

- 1.1 Loss or damage to the Vehicle is restated as follows:
- 1.1.1 If the Vehicle or any part of it is lost or damaged by fire, lightning, explosion, theft or attempted theft, We will at Our option indemnify You by paying for its repair by a repairer acceptable to Us or its replacement or by paying to You the value of the Vehicle less the first amount payable
  - 1.1.2 If the Vehicle is the subject of an instalment sale or lease agreement any money due to You will be used first towards the repayment of the debt under the agreement
- 1.2 We will pay all reasonable costs of towing Your Vehicle damaged in an accident on condition that You arrange the towing through the 1Assist 24-hour Help Desk on 0861 000 286. They will arrange for someone to tow Your Vehicle. If You do not use 1Assist then We shall only contribute up to R1,850 for the towing and storage
- 1.3 The following paragraphs are deleted from cover:
- 1.3.1 STORAGE, GUARDIAN ANGEL AND A FREE TAXI HOME
  - 1.3.2 DELIVERY AFTER REPAIR
  - 1.3.3 EMERGENCY EXPENSES SHORTFALL
  - 1.3.4 GLASS
  - 1.3.5 LOSS OF KEYS
  - 1.3.6 EMERGENCY REPAIRS
  - 1.3.7 IN THE EVENT OF A HIJACK OR A VIOLENT ACT
  - 1.3.8 CAR HIRE
  - 1.3.9 IN THE EVENT THAT YOU OR YOUR PASSENGER IS INJURED

### **2. THIRD PARTY ONLY**

You shall only be covered in terms of the LIABILITY TO THIRD PARTIES.