RESIDENTIAL SCHEMES

santam

RESIDENTIAL SCHEMES INSURANCE

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PRODUCT DISCLOSURE SUMMARY

Why is this document **important**?

This Product Disclosure Summary (PDS) is an important legal document that contains details of the product and it also contains our insurance policy wording. You should read it carefully before making a decision to purchase this product.

It will help you to:

- decide whether this product will meet your needs; and
- compare this product with other products you may be considering.

It is up to you to choose the cover you need. Any advice in the PDS is of a general nature only and has not considered your objectives, financial situation or needs. You should carefully consider the information provided having regard to your personal circumstances to decide if this policy is right for you.

What you should read

To understand the features, benefits and risks of this policy and to determine if it is appropriate for you, it is important that you read:

- the PDS – this information is designed to help you understand this policy and your rights and obligations under it;
- the policy wording part, which commences on page 13. It tells you about:
  - what makes up the insurance (i.e. your contract with us which we call a Policy);
  - important definitions that set out what we mean by certain words;
  - the cover we can provide;
  - when you are not insured; and
  - what you and we need to do in relation to claims
- the relevant proposal form you need to complete to apply for cover (if applicable)
- the Policy Schedule we provide with details of:
  - who is the insured;
  - the cover(s) selected;
  - the period of insurance;
  - the respective sums insured and/or limits of liability;
  - excesses.

We have a cooling off period of 14 days from the inception of the policy, which allows you sufficient time to familiarize yourself with the above. If you decide for any reason that this policy does not meet your requirements, you can cancel this policy in writing within the 14 day period. We will cancel the policy effective from the commencement date and give you a full refund, provided you have not claimed. However, if you wish to cancel the policy after the 14 day cooling off period, you will only be entitled to a pro-rata refund of the premium.

This document also contains our details as the insurer whilst the Policy Schedule contains information about your intermediary who acts on your behalf.

ABOUT OUR RESIDENTIAL SCHEMES INSURANCE

About Santam

Santam Limited (FSP no. 3416) is the largest short-term insurer in South Africa, providing short-term insurance products through broker networks, underwriting managers and direct sales channels. Santam was established in 1918 and offers personal, commercial and corporate insurance solutions. Santam is a subsidiary of Sanlam Limited and has been listed on the Johannesburg Stock Exchange (JSE) since 1964.

About **Santam Real Estate**

We are a division of Santam Limited specialising in the underwriting of real estate insurance products.

About the **intermediary**

The intermediary offers insurance intermediation services and acts on your behalf. The intermediary is not entitled to bind you in any way, without a prior written mandate.

Contacting us

If you need assistance with your policy please contact your intermediary. If you need to obtain confirmation of any policy transaction please contact Santam Specialist Real Estate. Our contact details are shown on the back cover of this document.

About the **policy**

Our Residential Schemes product is designed to cover the insurance requirements of *Bodies Corporate, Home Owner's Associations, Shareblock Investor's Schemes* or *Retirement Schemes* and combines cover for Buildings, Common Area Contents, All Risks, Money, Fidelity Risk, Machinery Breakdown, Liability, Scheme executive's liability, Employers liability, Voluntary Workers Personal Accident, Water Heating Systems, Claims Preparation Costs, Electronic Equipment, Commercial Glass, Greens & Irrigation systems, Motor, Business Interruption, Cyber liability and Group Personal Accident.

The cover is combined in a packaged solution and gives a range of unique benefits specifically designed to comply with the abundance of legislation covering Sectional Title and Community Scheme living in South Africa. Our cover is flexible and will suit any Scheme's individual requirements. This way we ensure that you stay in control.

How to apply for this insurance

If you are interested in buying this insurance product or have any enquiries about it, you should contact your intermediary who will be able to provide you with all the information and assistance you require.

If you are not satisfied with the information provided by your intermediary please call Santam Specialist Real Estate. However, we can only provide factual information or general advice about the policy. We do not give advice on whether the policy is appropriate for your personal objectives, needs or financial situation.

Summary of benefits under each cover section

Subject to the payment of your premium, and the exclusions, conditions and limitations stated in this document, we will provide the cover you have selected. The following is a summary only of the types of cover available and does not form part of the terms of your insurance.

We give examples of some of the significant benefits and risks, but you need to read the policy wording part of this document, which sets out the terms and conditions of this insurance, to make sure it matches your expectations.

Types of cover available

Section 1: Buildings

This section provides cover against sudden and unexpected physical loss or damage to your building(s) during the period of insurance up to the sums insured and sub-limits provided under Section 1. This section also provides certain additional benefits above the sums insured and within the sums insured.

Section 2: Common area contents

This section provides cover against physical loss or damage to your common area contents during the period of insurance up to the sums insured and sub-limits provided under Section 2. This section also provides certain additional benefits above the sums insured and within the sums insured.

Cover of R100 000 is included at no additional premium.

Section 3: All Risks

This section provides cover for loss of or damage to your insured items described in the Policy Schedule while anywhere in the world by any accident or misfortune during the period of insurance up to the sums insured as stated in the Policy Schedule.

Section 4: Money

This section provides cover for loss of or damage to money whilst in or at your premises, as stated in the Policy Schedule, or in transit to and from your premises for the purpose of deposit or withdrawal, during the period of insurance and up to the limits as stated.

Cover of R20 000 for loss or damage to money and R2 000 for receptacles and clothing is included at no additional premium.

Section 5: Fidelity risk and computer crime

This section provides cover for the fraudulent misappropriation of funds that have been set aside for the purpose of management of the affairs of the Body Corporate/company during the period of insurance and up to the sum insured shown on the Policy Schedule.

Cover of R50 000 is included at no additional premium.

This section may be extended to include managing agents and their employee(s) subject to the completion and acceptance of a proposal form and the payment of additional premium.

Section 6: Machinery breakdown

This section provides cover for the breakdown:

- of machines.
- collapse or explosion of boilers and pressure vessels.

Or, unforeseen damage to:

- electrical;
- electronic and mechanical machinery and plant;
- lifts, elevators and escalators;

that occurs at your premises during the period of insurance and up to the sums insured shown on the Policy Schedule.

Cover of R50 000 is included at no additional premium.

Section 7: Liability

This section provides cover for compensation or expenses that you become legally liable to pay, as owner, in respect of:

- personal injury; or
- property damage;

resulting in a claim being made against yourself during the period of insurance up to the limit of indemnity shown on the Policy Schedule.

An indemnity limit of R50 000 000 is included at no additional premium.

The indemnity limit is automatically increased to R100 000 000 as part of a 'package' enhancement that includes Sections 8 and 9.

Section 8: Scheme executive liability

This section provides cover for scheme executives against claims arising out of any actual or alleged wrongful act(s) they make while carrying out the functions of their position during the period of insurance, up to the limit of indemnity shown on the Policy Schedule.

An indemnity limit of R5 000 000 is included at no additional premium.

The indemnity limit is automatically increased to R10 000 000 as part of a 'package' enhancement that includes Sections 7 and 9.

Section 9: Employers liability

This section provides cover in respect of any claim for compensation or expenses that you become legally liable to pay for death of, or personal injury to, or illness of any person employed under a contract of service with you and which occurred in the course of and in connection with their employment by you, for claims first made against you during the period of insurance.

An indemnity limit of R10 000 000 is included at no additional premium.

The indemnity limit is automatically increased to R20 000 000 as part of a 'package' enhancement that includes Sections 7 and 8.

Section 10: Voluntary workers personal accident

This section provides cover for voluntary workers who suffer permanent disability or death as a result of violent, accidental, external and visible means whilst they are engaged in work on your behalf.

Cover of R50 000 is included at no additional premium.

Section 11: Water heating systems

This section provides cover for the repair or replacement costs of damaged water heating systems, including valves and components. Boilers are not covered by this section. This section is optional and subject to the payment of premium.

Section 12: Claims preparation costs

This section provides cover for the reasonable professional fees and such other expenses incurred by you for the preparation of a claim.

Cover of 50 000 is included at no additional premium.

Section 13: Electronic equipment

This section provides cover for the sudden or unexpected physical damage or destruction of your electronic equipment, including the costs of restoring data. This section is optional and is subject to the payment of premium.

Section 14: Commercial glass

This section provides cover for internal and external glass forming part of a building in commercial use at your premises. This section is optional and is subject to the payment of premium.

Section 15: Greens and irrigation

This section provides cover for the sudden and unforeseen physical loss or damage to the bowling green(s) and/or irrigation systems, forming part of your premises. This section is optional and is subject to the payment of premium.

Section 16: Motor risk

This section provides cover for accidental damage to your own vehicle(s) as well as damage to other people's property and injury to other people caused by your vehicle. Your vehicle will also be covered for theft and hijack. The cover you choose can be Comprehensive, Third Party Fire and Theft or Third Party only. This section is optional and is subject to the payment of premium.

Section 17: Business interruption

This section provides cover for loss of income as a result of your business being interrupted directly by the sudden and unexpected physical damage to your building(s), common area contents or machinery breakdown, covered by this policy and occurring during the period of insurance. This section is optional and is subject to the payment of premium.

Section 18: Cyber liability

This section provides cover for your legal liability to pay damages for third party financial loss arising from a hacking attack that has emanated from or passed through your computer system or a security breach resulting in the breach of your data or data for which you are responsible. This section is optional and is subject to the completion and acceptance of a proposal form and payment of premium.

Section 19: Group personal accident

This section provides cover for your employees and scheme executives on a 24 hour basis or occupation only basis and covers accidental death, permanent disability, income protection and medical expenses. This section is optional and is subject to the completion and acceptance of a proposal form and payment of premium.

Other **important information**

In addition to the covers summarised above, there are a number of terms, conditions and exclusions contained in the policy wording that can affect how, or whether a claim is paid under this policy. For example, you must pay the premium. If you do not meet the conditions of cover, we may refuse to pay a claim, or reduce the amount that we pay for any claim.

We also italicize words in this document, to show that words are abbreviations or have a particular defined meaning. I.e. throughout this document the insurer is referred to as we, us or our, whilst the insured is called you, your or yourself. A list of words that have the same meaning throughout the document appears at the end of the policy under Section 22.

Make sure you have the **cover you need**

Before making a decision about whether to purchase this product, you should read the full details of all relevant terms, conditions and exclusions, which are contained in the policy wording. Some may not be relevant to you, however you should make yourself aware of all to make sure the cover we provide, matches your expectations.

You should discuss with your intermediary the appropriate amounts and risks for which you need to be insured. If you do not adequately insure for the relevant risks, you may have to bear any uninsured losses yourself.

You should also advise your intermediary to notify us as soon as possible when your circumstances change and if these changes are relevant to your policy. For instance, if you purchase additional items that constitute common area contents – if you do not tell your intermediary of these changes, your sum insured may not be adequate to cover the loss, or you may not even have any cover under your policy.

What we will **not pay**

(also refer to General Exclusions under Section 20)

This policy contains a number of exclusions, some of which are common in insurance policies – for example, we may not pay for loss or damage arising out of:

- defective design, lack of maintenance and cost of maintenance;
- war, riot and terrorism.

Some of the exclusions may be less common, and as such may be unexpected – for example, storm damage to retaining walls – please refer to Section 1 for details of this exclusion.

The above are some of the events that are not covered by this policy. Before making a decision about whether to purchase this policy, you should read the full details of all relevant exclusions, which are contained in the wording.

Duty of **disclosure**

We rely upon the information you provide to us when you apply for insurance, and when you renew, change or reinstate your policy. You must tell us anything you know, or should know, that could affect our decision to insure you and/or the terms on which we insure you.

I.e. you are asked at the time you take out this insurance to give us full and correct details concerning any:

- renewal or insurance policy declined, cancelled or refused, or where any excess was imposed;
- any claims refused by an insurer;
- any claims made;

You do not have to tell us about any matter:

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or in the ordinary course of business, ought to know;
- which we indicate we do not want to know.

If you do not comply with your duty of disclosure, we may reduce or refuse to pay a claim or cancel your policy. If your non-disclosure is fraudulent we may treat this policy as never being in force.

How we calculate your premium

The amount of your premium is determined by taking a number of factors into account. It is important for you to know in particular that the premium varies depending on the information we receive from you about the risk to be covered by us. The higher the risk is, the higher the premium will be. Based on our experience and expertise as an underwriter, we decide what factors increase our risk and how they should impact on the premium.

In this policy the following factors are taken into consideration:

- the location of the property;
- the sums insured chosen by you;
- the materials used in the construction of your property;
- the number of sections/units that make up the risk;
- whether your property contains commercial or residential sections/units or has an element of both;
- if your property contains commercial sections/units, the occupation and use thereof;
- your prior claims history;
- security measures.

The total cost of your policy is shown on your Policy Schedule and is made up of your premium plus Sasria, any mandated fees applicable and VAT.

Why the cost of insurance **can change**

Each time you renew your insurance, your premium is likely to change, even if your personal circumstances have not changed. This is because premiums are affected by factors including:

- the cost of claims we have paid;
- the cost of claims we expect to pay in the future;
- our expenses incurred in doing business.

Value added tax **(VAT)**

The sums insured, limits, premiums and what we pay as stated on your Policy Schedule, include VAT. In the event of a change in the rate of VAT during the period of insurance, the sums insured, and if appropriate, premiums will be adjusted accordingly.

What you must do after a loss, damage or an accident

(also refer to the General conditions under Section 21, Item 30)

You have certain responsibilities which are listed below. If you fail to meet these responsibilities, your claim may be rejected.

You need to:

- make sure everyone is safe and take all reasonable steps to prevent further loss, damage or liability (e.g. if there is a hole in the roof, arrange for it to be covered to prevent further water damage from rain);
- notify the police within 24 hours if any of your property is stolen, maliciously or intentionally damaged. Give them a list of all stolen or damaged items. Keep details of the date reported, name of the police officer, police station reported to and the police reference number;
- provide us with full details of your claim as soon as reasonably possible after the event. However, if you or someone acting on your behalf does not complete and submit a claim form within 30 days of an incident, we may reject your claim; or reduce the amount we have to pay if the delay causes increased costs, or prevents us from investigating the claim timeously;
- provide us with the proof that we require regarding stolen or damaged property;
- help us to manage the claim, which may include us inspecting your property or location or asking you questions, or you providing written statements to us under oath;
- keep items that have been damaged and allow us to inspect them or assess repair costs;

- allow us to take possession of damaged property that is the subject of a claim;
- forward any invoices, demand letters, summons or notices you receive from other persons or organisations involved in the incident to us directly, immediately. If you do not we may reduce the amount we will pay if the delay causes increased costs or prevents us from investigating the circumstances of the claim.

What you must NOT do after a loss, damage or an accident

- admit liability if an incident occurs which is likely to result in someone claiming against you and for which we insure you, without our prior consent;
- arrange replacement or approve repairs of any property in connection with any claim without our consent (other than emergency repairs necessary to minimize or prevent further loss or damage);
- dispose of any damaged property;
- cause any unreasonable delays that prevent us from assessing, investigating, repairing, reinstating or replacing or exercising any of our rights, otherwise we may at our discretion elect not to indemnify you. Alternatively we may elect not to pay for any extra costs or damages that result from such delay or lack of cooperation.

What we will do after a loss, damage or an accident

We will settle your claim in any of the following ways:

- repairing the damage;
- replacing the item;
- paying out cash to you;
- any combination of the above.

Our **approval needed** for repairs

Except for emergency temporary repairs permitted under this policy, **you are not authorised to commence repairs without our approval.** The most we will pay for emergency repairs is R25 000.

We do not cover:

- repairs you did not have to do;
- unreasonably excessive repair costs if you had a cheaper alternative to choose from at the time. We will only pay the amount you should have spent.

Sharing of information

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

The sharing of information will contribute significantly to limiting insurance fraud and to assess risks fairly, thus protecting the interests of all policyholders.

We will only use this information for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make. We will, therefore, only use and disclose your personal information for a purpose you would reasonable expect. I.e. we may need to disclose personal information to our reinsurers, insurance intermediaries, credit agencies, our advisers and those involved in the claims handling process (including assessors and investigators), or for the purpose of providing relevant services and products, or for the purposes of litigation. We may also disclose information to people listed as co-insured on your policy and to any other party authorised by you.

You hereby waive any 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.

You also acknowledge that the insurance information provided by you may be stored in the shared database and used as set out above.

General insurance **Code of Practice**

As a licensed Financial Service Provider, we subscribe to the General Insurance Code of Practice governing our industry. The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The Code aims to:

- constantly improve claims handling in an efficient, honest and fair manner;
- build and maintain community faith and trust in the financial integrity of the insurance industry; and
- provide helpful community information and education about general insurance.

Complaints and disputes resolution process

If you have a complaint about our product or the service you have received from us, we will do everything we can to try to resolve it as quickly and fairly as possible. In order for the complaint to receive the attention that it deserves, we request that you submit your complaint to us in writing. Please refer to our contact details shown on the back cover of this policy.

Where the complaint pertains to any aspect of our service, or any disclosures that ought to be made by us, we will endeavour to address those complaints in writing, within 5 working days.

Procedures

The following is a step-by-step guideline of how a complaint will be dealt with by Santam Specialist Real Estate:

- The complaint will be lodged in our central complaints register on the same day that it is made and confirmation of receipt forwarded to you.
- The complaint will be immediately brought to the attention of the key individual at Santam Specialist Real Estate for allocation to a trained and skilled person who specialises in that type of complaint.
- The complaint will be investigated and we will revert to you with our findings within 5 working days.
- In the event that you are not satisfied with the solution, you may refer the complaint to the Head of Santam Specialist Real Estate. Our Head may amend the solution or confirm it.
- If, after having referred the complaint to the Head of Santam Specialist Real Estate, you are still not Satisfied with the outcome, we will regard the complaint as being unsatisfactorily resolved. In such a case, you may approach the office of the Ombudsman for Financial Services Providers or, if your complaint is claims related to the Santam Internal Arbitrator, or the Ombudsman for Short Term Insurers, or take such other steps as may be advised by your legal representatives.

The referral to the office of the Ombudsman must be done in accordance with the provisions of Section 21 of the FAIS Act and the rules promulgated in terms of that section. In instances where we have not been able to arrive at a resolution within six weeks after you have lodged your complaint, the matter may automatically be referred to the Ombudsman within a period of six months.

The Ombudsman for financial services providers	Ombudsman for short-term insurers
Particulars of the FAIS Ombudsman: FAIS Ombudsman P O Box 74571 LYNWOODRIF 0040 **Tel:** (012) 470 9080 / 0860 432 766 **Fax:** (012) 348 3447 **E-mail:** info@faisombud.co.za **Website:** www.faisombud.co.za	**Short-term Ombudsman details for all short-term insurance complaints:** 2nd Floor JCC House 27 Owl Street, Milpark 2042 P O Box 32334 Braamfontein 2017 **Tel:** (011) 726 8900 **E-mail:** info@osti.co.za

Internal Arbitrator
Santam Limited PO Box 3881 Tyger Valley 7536 **Fax:** (021) 915 7434 **E-mail:** internal.arbitrator@santam.co.za

POLICY WORDING

What makes up this policy?

Your policy is a contract of insurance between you and us and is made up of:

- the proposal, which is the information you provide to us when applying for insurance cover;
- the PDS and policy wording, which tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover. Sometimes we need to change the policy wording of your policy because the insurance varies depending on a number of factors. We do this by adding what is called an endorsement to your Policy Schedule;
- your Policy Schedule. The Policy Schedule is a separate document unique to you, which shows the insurance details relevant to you. It includes endorsements; and
- any other written change otherwise advised by us in writing. These written changes vary or modify the above documents.

Our **agreement**

We agree to provide you with the cover set out in each of the policy sections that you have selected and that are shown in your Policy Schedule, subject to you having paid the premium.

This cover is in force for the period of insurance set out in your Policy Schedule. We will cover you for loss, damage and/or liability occurring during this period, provided you comply with all the terms and conditions of the policy.

We will not pay any more than the sum insured or limit of liability for each section shown on your Policy Schedule, unless otherwise stated.

Who is insured under this policy?

The Body Corporate, home owner's association, share block investor's scheme or retirement scheme shown as the "insured" on your Policy Schedule, including the interest therein of members.

We will extend the policy to cover other persons, organisations or institutions requiring cover under this policy if you have advised us of them, and we have shown them on the Policy Schedule. All persons, organisations or institutions covered by the policy have to comply with the terms of the policy. We may refuse to pay a claim or reduce the amount we pay if you or any person covered by the policy does not comply with the terms of the policy.

Any extension providing indemnity to any person other than you shall not give any rights of claim to such person, the intention being that you shall claim on behalf of such person.

Tenants

If a tenant, without your knowledge or consent, does or omits to do anything which invalidates the policy, cover will not be affected provided:

- you notify us of this act or omission as soon as you become aware of it;
- you pay any additional premium relating to the change in risk if required.

Mortgagees

1. The interests of the mortgagee have priority over your interests and shall not be prejudiced by:

   (a) any act or neglect of the Body Corporate or any of the owners of units as defined in the Sectional Titles Schemes Management Act No. 8 of 2011.

   (b) any misrepresentation or non-disclosure by the Body Corporate or any of the owners of the units at the time when the insurance is effected or renewed or during the currency thereof; or

   (c) the alienation of the property; or

   (d) the occupation thereof for purposes more hazardous than permitted by the policy.

Provided that

(i) such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been affected without the knowledge and privy of the mortgagee(s); and

(ii) the mortgagee(s) shall notify us of the happening or existence of such act, neglect, misrepresentation, non-disclosure, alienation or occupation as soon as same shall come to his or her knowledge; and

(iii) mortgagee(s) shall on reasonable demand, pay the additional charge for any increase of hazard thereby created according to the established scale of rates, for the time such increased hazard may be, or shall have been, assumed by us during the continuance of the insurance; and

(iv) any compensation payable in terms of this policy shall be payable direct to the mortgagee(s) of the particular unit or the aggregate of the amounts due by the unit owner to the mortgagee under the mortgage bonds whichever is the lesser.

2. (a) all and any amounts becoming payable by us under this policy as a result of damage to the buildings improvements or landlord's fixtures and fittings shall unless otherwise resolved or ordered in terms of Section 36 of the Sectional Titles Management Schemes Act No. 8 of 2011 be wholly applied to the reinstatement of such damage. If it is resolved or ordered in terms of that section of the aforementioned Act that such damage or destruction should not be reinstated, the proceeds of any claim applicable to a unit shall be made in the first place to the mortgagee(s) of the particular unit up to the value allocated to the particular unit or the aggregate of the amounts due by the unit owner to the mortgagee(s) under their mortgage bonds whichever is the lesser,

   (b) as regards this clause the specific condition of average shall apply to the individual units (excluding the owners interest in the land) and not to the property as a whole.

Period of insurance

We will insure you for the period as shown on your Policy Schedule. I.e. your cover period can be monthly, quarterly, bi-annual or annual.

Paying your premium

Your policy will not operate until you have paid your premium. We will tell you on your Policy Schedule how much you have to pay and how much time you have for payment. I.e. the due date for payment will be the first day of each calendar month where the period of insurance is monthly, and the first day of

- each third; or
- each sixth; or
- each twelfth calendar month following where the period of insurance is for three months, for six months or for twelve months. Unless we tell you, any payment reminder we send you does not change the expiry, or due date.

If the premium is not paid on the due date you will have 15 days from the due date to pay the premium. If no premium is collected during this period, the policy will be cancelled from the due date. If this is a monthly policy, the 15 days period of grace will apply from the second month of insurance.

If you make changes to your policy, you may need to pay an additional premium, or you may be entitled to a refund.

Policy **changes**

You may make changes to your policy at any time. Any change you make will be effective from the time and date agreed to.

We may change your policy by giving you 30 days' notice.

Policy **conditions**

You must abide by any condition of this policy, such as the conditions detailed at the end of this policy in Section 21. If you do not, our policy may not operate, or we may reduce, or refuse to pay a claim and cancel your policy.

Policy **terms**

The general policy terms and conditions are detailed at the end of this policy – Sections 20, 21 and 22. Please read these terms carefully because you must always follow them.

Excluded risks

There are certain events for which this policy may not provide cover. Some of the exclusions apply to all sections and are detailed at the end of this policy. However, there are also specific exclusions that apply under each section of the policy. Refer to "What we will not pay" in each section of the policy for further details.

An excess may also apply for a valid claim that you are required to contribute towards each and every event that causes loss or damage insured by the policy. Refer to the policy wording and schedule for details of any excess that may apply.

Cancellation

You may cancel this policy at any time and with immediate effect.

We may cancel this policy by giving you 30 days' notice in writing by post, email or fax.

Your policy will cancel when your:

- Monthly premiums are not paid for two consecutive months on either the due dates or within the grace periods in those months.
- Annual and term premiums are not paid on the due date or within the grace period.

The policy will end at 24h00 on the final day of the period for which you last paid your premium.

On cancellation, we shall be entitled to retain the pro rata premium for the unexpired policy period.

SECTION 1: BUILDINGS

1. What is insured?

We will cover your building(s) at the insured location containing the sections and common property, including:

- improvements and fixtures of a structural nature including , walls, gates, fences, tarred or paved roads, driveways, parking areas or paths, garages and carports;
- any item built in, or fixed to, or on the building;
- fixed plant and machinery; including gate motors
- public supply connections including water, sewerage, gas, electricity and telecommunication connections owned by you, or for which you are legally responsible between the property insured and the public supply or mains;
- sporting and recreational structures permanently installed including tennis courts, in-ground swimming pools and spas;
- jetties, quays or marinas provided that they are not used for commercial purposes or to provide fuel distribution facilities;
- satellite dishes and radio and television antennas and their associated wirings, masts and towers;
- blinds or awnings on the outside of the building(s);
- fixed wall and floor coverings, including any other item or structure installed by an owner for their exclusive use and which is permanently attached to or fixed to the building so as to become legally part of it, including any improvements made to an existing fixture;
- fixed fire prevention and security equipment (eg. fire hoses, fire extinguishers, security cameras);
- electrical and gas appliances only if these appliances are permanently connected or plumbed to the electricity or gas supply;
- elevators and escalators;
- glass other than glass more specifically insured under Section 14 of this policy.

Your buildings, at the insured location, must be of standard construction or any other material as specifically stated in the Policy Schedule.

2. What you are insured against

When you insure your building under this policy you will be covered for sudden, unexpected and unforeseen physical loss or damage that occurs during the period of insurance, at the specified location, up to the amount shown on your Policy Schedule. Cover is subject to the terms, conditions, exclusions and limitations applying to this section, as well as those applying to all the sections of the policy.

3. What is not insured?

- fixtures removable by a lessee or tenant at the end of a lease;
- dams, dam walls and seawalls;
- illegal installations and or renovations not approved by the scheme committee/scheme executives;
- property in the course of construction, erection, alteration, addition or renovation (this does not apply to buildings undergoing cosmetic changes such as painting);
- any non-standard construction, unless we have agreed to this;
- property not complying with National Building Regulations;
- hedges;

- swimming pool covers;
- above-ground portable swimming pools;
- marinas, wharves, docks, jetties and pontoons used for commercial purposes or to provide fuel distribution facilities;
- mobile air-conditioning units;
- any property belonging to tenants, or for which they are responsible.

4. Your responsibilities

In order to have continuous cover and a valid claim, you need to adhere to the following:

4.1 Important changes

Inform us within a reasonable period when:

- the building is unoccupied for any period longer than 60 consecutive days;
- the building is vacant or abandoned;
- any alternations, additions or improvements are made to the building. I.e. if your building has a slate roof, we charge a specific premium for that. If you later thatch the roof without telling us, we would be receiving the incorrect premium because thatch has a greater risk of fire damage. Your building will, therefore, not be covered against fire.

4.2 Responsibilities of people at the premises

Ensure that your employees, members, partners, directors, principals or any resident at the insured premises comply with the terms and conditions of this policy.

4.3 Hot work

Ensure that adequate safety measures are in place whenever hot work (for example work which involves the generation of heat or sparks, such as welding, cutting, braising and grinding) is carried out on the common property and at or in any unit.

5. How much will we pay and how

5.1 Replacement value

The sum insured noted on the Policy Schedule is the maximum amount we will pay for physical loss or damage to your building(s), less the excess and any dual insurance or under-insurance. In relation to a section we will pay the percentage determined in accordance with the provisions of Section 32 of the Sectional Titles Act as shown on a sectional plan in accordance with the participation quota.

Based on the above, you need to insure your building for its replacement value. This is the cost of rebuilding or repairing the building with new materials. The replacement value must include the following additional costs:

- professional and municipal fees;
- demolition charges;
- debris removal;
- making the site safe.

5.2 Average

5.1.2 Should you insure the building for an amount less than its replacement value, average will apply and we will only pay you proportionately. E.g. if the correct value of a unit is R1 000 000 and you insure it for R800 000, you will be compensated for 80% of your loss. Average is restricted in its effect to individual units and does not apply to the building as a whole.

5.2.2 If you provide us with a current building valuation, carried out by a qualified professional valuator, at inception of the policy or upon renewal, we will waive the condition of average as stated under item 5.2.1. This waiver is subject to the following:

(a) it will be in force for a period of 3 years from the date of the building valuation. Should the date of the building valuation precede that of the inception or renewal date of the policy, then the waiver will be applicable for the remainder of the 3 year period only;

(b) at the end of the 3 year period, you will be required to provide a new building valuation for the waiver of average to remain in force and such valuation to reach us prior to the renewal date of your policy;

(c) the building sum(s) insured will automatically be increased by the escalation percentage specified in the schedule at each renewal date of your policy;

(d) it remains your responsibility to ensure that the replacement value of any building additions, improvements or upgrades of individual units is included in the participation quota for that specific section(s);

(e) the most we will pay is the sum insured as stated in the policy schedule and the participation quota, forming part of your policy, in respect of any individual unit(s).

This waiver of average is applicable to sectional title risks only.

5.3 Basis of settlement

When damage or loss occurs to your buildings, we will pay the cost of rebuilding your buildings or repairing the damaged portions to the same condition as when they were new. However, we shall not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to pay in respect of any one of the items insured more than the applicable sum insured.

5.4 Reinstatement, replacement or repair

If we pay to rebuild, you may do so on a different site, provided the amount we pay is not increased.

When the building(s) is damage in part only, our liability will not exceed the cost of repairs. In those cases where the architectural features and structural materials of the building(s) insured, possess a particularly ornamental, antiquarian or historical character, or the materials are not readily available we will use the nearest equivalent available to the original materials.

We will not pay for the repair or replacement of undamaged property to create a uniform appearance. I.e. if damage occurs to floor coverings we will only pay to repair or reinstate the affected floor coverings in the room where the actual damage has occurred. We will also not pay for any additional or special value that an item has because it is part of a pair, set, system or collection. We will only pay for the proportionate value of the part of the pair, set, system or collection that is lost or damaged.

The work of rebuilding, replacing, repairing, restoring or reinstating the building, as the case may be, must commence within six (6) months of the loss or damage occurring (or any other period which we agree with you), failing which we shall not be liable to make any payment beyond the amount which would have been payable had the delay not occurred and you may have to pay any increase in the cost.

5.5 Destruction of or damage to buildings (according to Section 17 the Sectional Titles Schemes Management Act, No. 8 of 2011)

The buildings comprised in a scheme are, for the purpose of the Sectional Titles Schemes Management Act, 2011, deemed to be destroyed:

- upon the physical destruction of the building;
- when the owners by unanimous resolution so determine and all holders of registered sectional mortgage bonds and the persons with registered real rights concerned, agree thereto in writing; or
- when decided by a court of law that it is just and equitable that the building must be considered to have been destroyed.

Where the building is damaged or destroyed, the owners may by unanimous resolution, or by a court order, authorise a scheme:

- to rebuild and/or reinstate in whole or in part of the building;
- to transfer the interests of owners of sections which have been wholly, or partially destroyed, to other owners.

In the exercise of these powers, the owners may pass such resolution as they may consider fit, or a court of law may make an order in connection with amongst other things:

- the application of insurance moneys received by the Body Corporate in respect of damage to, or destruction of the building;
- the payment of money by or to the Body Corporate, or by or to the owners, or by or to one or more of the owners;
- an amendment of the sectional plan so as to include an addition to or a subtraction from the common property;
- the variation of the quota of any section; or
- the imposition of condition.

We have the right to intervene in the above proceedings and will only pay for actual damage to the insured property if it is deemed to have been destroyed in terms of Section 17 of the Sectional Titles Schemes Management Act (no 8 of 2011) or as amended from time to time.

Where two or more buildings are comprised in a scheme and only one part of one of the said buildings is damaged or destroyed, the provisions of the Act apply as if the said buildings were one building and part of such building has been damaged or destroyed.

5.6 Escalation

During each period of insurance the building(s) sum insured shall be increased in proportion to the period the insurance has been in force, by the percentage stated in the Policy Schedule.

However, it is your responsibility at each renewal date, to notify us of the sum(s) to be insured in respect of the building(s) for the forthcoming period of insurance and the percentage increase required for such period.

On the occurrence of any damage, the sum insured at the time of the loss will be increased by the percentage that is specified in the Policy Schedule.

5.7 Inflation

If you suffer damage to the insured property, the amount we will pay shall be increased to account for the additional costs of reinstatement or replacement between the time of the loss and actual reinstatement or replacement which are due to an escalation in such costs. The percentage of inflation applied will be as specified in the Policy Schedule at the time of the loss.

6. Additional benefits within the sum insured of the building(s)

If we accept and pay a claim for loss or damage to the building, the following additional benefits will be paid provided that the amount recoverable does not exceed the sum insured of the affected property.

6.1 Architects' and other professional fees

The reasonable cost of architects, engineers, surveyors including all incidental costs, legal and other fees necessarily incurred in the reinstatement or replacement of your damaged property, up to a limit of 15% of the sum insured of the damaged building or unit.

There is no cover for costs, fees and salaries for preparing of any claims under this additional benefit.

6.2 Cost of demolition and clearing and erection of hoardings

The cost and expenses you reasonably incur following insured damage to your property for the demolition and/or removal of debris and in providing, erecting and maintaining hoardings required during demolition, site clearing and/or building operations, following damage to the property insured by a defined event, provided the total amount recoverable shall not exceed the sum insured on the property affected.

We will not pay for any costs and expenses you may incur in the removal of debris except from the site of the damaged or destroyed property and in the area immediately adjacent to the site.

This benefit does not extend to cover any liability that you may incur as a consequence of pollution or contamination of any kind.

6.3 Flood resilience and flood protection

In the event of damage to the insured property by flood, we will pay the additional costs of reinstatement in:

(a) using materials with better water resilience;

(b) relocating fixtures and fittings insured under this policy to a lower risk area within the same building;

(c) preventing flood water from adjacent ground to prevent future damage.

Our liability shall not exceed R50 000 any one insured event.

6.4 Municipal plans scrutiny fees

We will pay the cost of the fees incurred and payable to the municipality following insured damage to your property, provided that the total amount recoverable under any item shall not exceed the sum insured on the property insured so affected.

6.5 Public authorities' requirements

We will pay costs required for your buildings to comply with any statute or regulation or any municipal or other statutory authority, subject to the following provisions and subject also to the terms, conditions, limit(s) or sub limit(s) and exclusions of the policy.

We will also pay the reasonable cost and expenses incurred in complying with any legal requirements to upgrade or replace undamaged portions of any automatic sprinkler system or automatic drencher, following damage to the building.

This cover will only apply if, at the time of the loss, you can produce evidence of a current certificate issued by the Automatic Sprinkler Inspection Bureau (Pty) Ltd and will exclude any loss or damage whilst extensions, alterations or renovations to the building are in progress.

We will not pay:

(a) more than the sum insured of the affected building as shown in the Policy Schedule;

(b) the additional cost incurred in complying with any act, regulation, by-law or requirement with which you were required to comply with prior to the damage happening;

(c) for damage not insured by this section;

(d) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) of that portion damaged;

(e) the amount of any rate, tax, duty development or other charge or assessment arising from capital appreciation which may be payable in respect of your property or by the owner thereof by reason of compliance with any of the aforementioned regulations;

(f) the work of repairing or rebuilding must be commenced and carried out within 12 months, failing which we will not be liable to make any payment beyond the amount which would have been payable under the policy if this provision has not been incorporated herein.

7. Additional benefits above the sum insured of the building(s)

7.1 Loss of rent/levies receivable

If we accept and pay a claim for physical loss of or damage to a unit or section that is rented, or would have been rented (and this can be verified by way of a lease or rental agreement), and the unit or section becomes either uninhabitable or unfit for its intended purpose, we will pay the unit/section owner an amount equal to the rent that the unit/section owner was receiving for the period necessary for reinstatement or for the period necessary for the completion of repairs or reconstruction, up to an amount not exceeding 30 percent of the sum insured of the affected unit or section.

The basis of calculation shall be the rent/levies receivable immediately preceding the damage or its equivalent in rental/levy value.

We will also pay up to a limit of R10 000 for emergency costs for a tenant when the unit or section they were renting at the time is damaged to the extent that it is either uninhabitable or unfit for its intended purpose.

If the unit or section is owner-occupied, we will pay the reasonable rent payable of equivalent alternative accommodation if the unit is damaged to the extent that it is not habitable. We will also pay the reasonable cost for temporary accommodation for pets owned by a unit owner, if the temporary accommodation does not allow pets. This additional benefit will not apply if temporary accommodation is covered by any other policy.

We will also pay the reasonable costs, not exceeding R10 000, to remove, store and return any undamaged household contents of owner-occupied units if not otherwise insured.

7.2 Accidental damage to water, sewerage, gas, electricity and telecommunication connections

We will pay for accidental damage to water, sewerage, gas, electricity and telecommunication connections between your insured property and the public supply or mains.

7.3 Capital additions

If you make alternations or additions to the property insured during the period of insurance, we will pay for loss or damage to those alterations or additions. We will not pay for loss or damage:

(a) if the total contract value of all work to be carried out in the alterations or additions exceeds 15 percent of the sum insured, it being understood that you will advise us each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon;

(b) if you have entered into a contract with a third party in relation to the alterations or additions which requires that third party to effect contract works or similar insurance to cover material damage and liability risk.

7.4 Eviction of illegal occupants

We will pay for the cost of removing illegal occupants from any insured unit up to the limit of R5 000 for any one event or R10 000 during any 12 month period of insurance as stated on the Policy Schedule.

For the purposes of this additional benefit, an illegal occupant shall be defined as any occupant for whom an eviction order has been granted by a South African Court of Law.

7.5 Fire extinguishing charges

We will pay any costs or charges incurred and for which you are legally liable, to fight or extinguish the fire following an incident for which you can claim.

Cover includes the replacement of used sprinkler heads, the resetting of fire and smoke alarms and refilling of the fire extinguishing appliances used to extinguish the fire.

7.6 Garden landscaping

We will pay the costs necessarily incurred, for the reinstating of landscaped gardens of the building(s) following damage by floods, fire, fire fighting operations, explosion or impact by vehicles. If it is necessary to damage landscaped gardens during the repair or reinstatement of the insured property, we will pay the reasonable cost to repair that damage as well.

The most we will pay is the sum insured as shown in the Policy Schedule.

7.7 Home modifications

If we accept a claim for loss or damage to a unit occupied by an owner and the occupying owner becomes a paraplegic or quadriplegic as a result of the insured incident, we will pay to the owner the reasonable and necessary costs to modify their unit in order to assist with their mobility.

We will pay up to the limit stated in the Policy Schedule, and this benefit only applies if a medical practitioner certifies that the unit owner is permanently disabled from the incident.

7.8 Leakage of fire extinguishing installations/appliances

We will pay for damage caused by discharge or leakage from fire extinguishing installations, up to an amount of R20 000 for any one loss or series of losses arising out of one event.

7.9 Leak detection

We will pay the cost necessarily and reasonably incurred by you in locating the source of leaking, bursting, discharging or overflowing tanks, apparatus or pipes used to carry water or oil up to a limit of R1 500.00 per event.

7.10 Loss of water

We will cover the cost of water lost through leakage from pipes in any unit or on the common property, where you are responsible to pay the charge for such water, provided that:

(i) the consumption reading must be at least 50% more than the average of the previous four readings;

(ii) the insured takes immediate steps to repair the pipe(s) affected on discovery of a leak either by way of physical evidence or on receipt of an abnormally high water account.

The most we will pay is the sum insured as shown in the Policy Schedule.

We will not pay for:

(a) the cost of repairs to the leaking pipes;

(b) more than two separate incidents in any period of twelve months;

(c) loss of water

  (i) as a result of leaking taps, water heating apparatus or toilet systems;

  (ii) from swimming pool structures or inlet/outlet pipes;

  (iii) whilst a unit is unoccupied for a period in excess of 30 days;

  (iv) as a result of the deliberate act of the insured or any person acting on his behalf.

7.11 Prevention of access

If damage, by an insured event, occurs to a property within a 10km radius of the insured premises and this prevents or hinders the use of or access to your property, we will pay any loss of rent you may incur as a result thereof, up to an amount not exceeding 30 percent of the sum insured of the affected property.

The basis of calculation shall be the rent/levies payable immediately preceding the damage or its equivalent in rental/levy value.

7.12 Removal of trees

We will pay the costs necessarily incurred, for the professional removal and disposal of your fallen trees and/or branches including stumps and or roots of these trees provided that they have caused damage to the insured property.

The most we will pay is the sum insured as shown in the Policy Schedule.

7.13 Replacement of locks and keys, tags and remote control access devices

We will pay the costs necessarily incurred in the replacing of locks and keys, tags and remote access devices following a burglary or attempted burglary, up to the limit stated in the Policy Schedule for any one event.

Our payment includes the cost incurred by you in re-keying or re-coding locks or the cost of replacing locks of a similar type and quality if they cannot be re-keyed or re-coded.

We will not pay to re-key or re-code locks or for replacement of locks if there are reasonable grounds to suggest that keys or codes have been duplicated by an occupant or former occupant of the building or their family or friends.

7.14 Security services

We will pay for the cost of hiring of security guards and/or services to protect you and your property following insured damage to the building that results in a breach of the building's security, up to the limit stated in the Policy Schedule for any one event.

7.15 Subsidence and landslip – limited cover

We will pay for the physical loss of or damage to the building(s) caused by subsidence or landslip of the land supporting the building, or heave. You will be responsible for the first portion of every claim up to an amount calculated at R10 000 per unit or common property.

Definitions specific to this additional benefit:

subsidence: the downward movement of a site on which buildings may or may not stand, from causes unconnected with the building (if present).

landslip: the downward and/or sideways movement of sloping ground resulting from the action of self -weight stresses and imposed loading exceeding the available strength of the ground.

settlement: the downward movement of a site due to the application of superimposed loading which is the wholly natural effect of superimposing a load on a site and is unpredictable.

active soils: a soil that changes in volume to varying degrees in response to changes in moisture content, i.e. the soil may increase in volume (heave or swell) upon wetting and decrease in volume (shrink) upon drying out.

In any action suit or other proceeding where we allege that, by reason of the provisions of this additional benefit, any damage is not covered by this insurance, the burden of proving the contrary shall be upon you.

We will not pay for damage to:

(a) utilities, structures, or items such as (but not limited to): drains, boreholes, watercourses, boundary walls, garden walls, screen walls, retaining walls, gate posts, gates, fences, roads, parking areas, driveways or paths, paving, pavements, runways, reservoirs, septic or conservancy tanks, canals, pipelines, bridges, docks, piers, tunnels, swimming pools and surrounds terraces, patios or tennis courts;

(b) solid floor slabs or any other part of the building due to the movement of such slabs, unless the foundations supporting the external walls of the building are damaged by the same cause at the same time;

(c) a building constructed or situated on dolomite and limestone land/sites.

We will not pay for damage caused by:

(d) insufficient compacting or infill;

(e) the settlement or movement of made up ground;

(f) coastal or river erosion;

(g) excavations including mining operations;

(h) active soils, as defined;

(i) moist or damp;

(j) defective or faulty design, materials or workmanship;

(k) alterations, additions or repairs to your building;

(l) damage existing at commencement of this cover;

We will not pay for any consequential loss.

7.16 Temporary removal of landlord's fixtures and fittings

Except in so far as otherwise insured, landlords' fixtures and fittings are covered whilst temporarily removed to any other premises, including transit by road, rail or inland waterway anywhere in the Republic of South Africa, provided 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.

7.17 Energy performance and sustainable buildings

We will pay the amount we would have paid to repair or replace the damaged building using materials similar to the original, plus an amount not exceeding 10% for any additional cost arising from the use of alternative materials, or sources of materials, in accordance with the principles of the National Building Regulation on Environmental and Sustainability standards.

Provided that:

(a) we will not pay more than the sum insured of the affected building as shown in the Policy Schedule, plus the additional amount;

(b) we will not be liable for any undamaged portion of the buildings insured;

(c) we will not be liable to pay for the extra cost incurred in meeting any condition required by the government or local authority of which they had notified you, or with which you had been required to comply, before the damage occurred;

(d) in respect of any damage excluded by this section.

8. Limitation of cover

8.1 Power surge

We will pay for loss or damage caused by an electrical power surge up to an amount not exceeding R20 000 for any one event.

8.2 Theft of fixtures and fittings removed by non-forcible means

We will pay the costs necessarily incurred in replacing the stolen item(s) up to an amount not exceeding R10 000.

9. Optional cover applicable to this section (if stated in the Policy Schedule to be included)

9.1 Subsidence and landslip – comprehensive cover

We will pay for the physical loss of or damage to the building(s) caused by subsidence or landslip of the land supporting the building, or heave. You shall be responsible for the first portion of each and every claim up to an amount calculated at (one) 1% (percent) of the sum insured as stated on the Policy Schedule.

Definitions specific to this additional benefit:

subsidence: the downward movement of a site on which buildings may or may not stand, from causes unconnected with the building (if present).

landslip: the downward and/or sideways movement of sloping ground resulting from the action of self-weight stresses and imposed loading exceeding the available strength of the ground.

settlement: the downward movement of a site due to the application of superimposed loading which is the wholly natural effect of superimposing a load on a site and is unpredictable.

active soils: a soil that changes in volume to varying degrees in response to changes in moisture content, i.e. the soil may increase in volume (heave or swell) upon wetting and decrease in volume (shrink) upon drying out.

We will not pay for damage to:

(a) drains, water courses, boundary walls, garden walls, retaining walls, gates, posts, or fences unless specifically insured;

(b) solid floor slabs or any other part of the building due to the movement of such slabs, unless the foundations supporting the external walls of the building are damaged by the same cause at the same time;

(c) a building constructed or situated on dolomite and limestone land/sites;

We will not pay for damage caused by:

(d) insufficient compacting or infill;

(e) the settlement or movement of made up ground;

(f) coastal or river erosion;

(g) faulty design or construction, or the removal or weakening of support to your building;

(h) alterations, additions or repairs to your building;

(i) excavation on or under land other than in the course of mining operations;

(j) active soils, except where professional engineering design precautions have been implemented during construction;

(k) work necessary to prevent further destruction or damage due to subsidence or landslide, nor will we pay for the cost of underpinning the foundations;

(l) damage from a cause which existed prior to the commencement of your policy.

We will not pay for any consequential loss except in respect of loss of rent.

9.2 Concealed pipes

Special meaning of words for the purpose of this item:

Concealed means enclosed in a wall or floor slab or underground within the boundary of your property.

Pipe(s) means the hot and cold clean water supply piping from the main supply installed at your property, excluding all geyser overflow pipes and any swimming pool or irrigation piping.

Leaking means the escape of water caused by deterioration of pipes due to wear and tear.

We will pay the costs of repairing leaking concealed pipes, up to the limit stated in the policy schedule per incident subject to:

(i) a maximum replacement pipe length of two meter (2m) *per incident;*

(ii) a maximum of two (2) claims per *period of insurance;*

This optional cover excludes the costs of leak detection.

10. Special conditions applicable to this section

10.1 Precautions

You must take all reasonable precautions for the care, safety, protection and maintenance of your property and comply with all statutory obligations, by-laws and regulations imposed by any public authority. If you do not comply with this condition and loss or liability is caused, we may refuse to pay a claim or reduce the amount we pay you.

10.2 Roofing

Physical loss or damage to roofing structures and accessories of the insured buildings is defined as a reduction in the roof's water shedding capacity or life expectancy.

10.3 Reinstatement value conditions

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

(i) the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to your requirements, subject to our liability not being thereby increased) must be commenced and carried out with reasonable dispatch, otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein;

(ii) if at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement, if the whole of the insured property had been damaged, exceeds the sum insured thereon at the commencement of any damage to such property by an insured event, then you shall be considered as being your own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each unit of the list of units (if more than one) to which these conditions apply shall be separately subject to this provision;

(iii) These conditions shall be without force or effect if you fail to intimate to us within six months of the date of damage, or such further time as we may allow in writing.

11. What we will not pay

In addition to the general exclusions applying to all sections of the policy:

11.1 We will not pay for any loss or damage directly or indirectly caused by, or arising from, or aggravated by, or resulting from:

(a) lack of maintenance or any other failure to keep any insured property in good repair;

(b) defective design, defective workmanship, defective construction, defective materials, inherent vice or latent defect of the insured property;

(c) error or omission in design, plan or specification or failure of design;

(d) mildew, mould, contamination, disease, wet or dry rot, change of colour, evaporation, rising damp or dampness of atmosphere or variations in temperature;

(e) gradual deterioration and gradually operating causes occurring over a period of time, including decay and wear and tear;

(f) corrosion, rust or oxidation, fading, normal upkeep or making good, developing flaws, concrete or brick spalling, or gradual deterioration such as (but not limited to):

- tile grouting breaking down;
- weathering of roof tiles or roof ridge capping; or
- gradual weathering and breakdown of bricks, mortar or concrete

(g) denting, chipping, scratching, marring, or cracking, not affecting the operation of the item;

(h) the actions of birds, primates, vermin, moths, termites, domestic pets, insects, or other pests;

(i) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements;

(j) the unblocking of waste and sewer pipes;

(k) demolition ordered by any lawful authority due to the insured's or any agent of the insured's failure to obtain necessary building, construction or development consents or permits;

(l) inherent vice or latent defect, defective design, defective workmanship, structural defects, defective construction, or defective material;

(m) removal or weakening of supports or foundations for the purpose of alterations' additions, renovations or repair;

(n) cracking or collapse of the insured property, unless caused by damage not otherwise excluded;

(o) excavations on or under land, other than excavations in the course of mining operations;

(p) any process involving the application of water;

(q) the invasion of vegetation, including but not limited to trees, grass, shrubs and roots;

(r) any process of cleaning, bleaching, dyeing, testing, experimenting, restoring, manufacturing, servicing, altering, refurbishing, repair, renovation, or construction;

(s) damage arising from theft and any attempt thereat or malicious damage should any insured property become unoccupied for more than sixty (60) consecutive days unless, prior to the occurrence of damage, you had obtained our written agreement to continue this extension. Provided that:

(i) during the entire unoccupied period up to a maximum of one hundred and eighty (180) consecutive days, you shall become a co-insurer with us and bear a rateable proportion of any damage equal to 20% of the claim before deduction of any excess;

(ii) during any unoccupied period exceeding one hundred and eighty (180) consecutive days, your co-insurance will increase to a rateable proportion of any damage equal to 50% of the claim before deduction of any excess.

Where the building comprises of two or more sections or units as described in the participation quota or on the policy schedule, then each section or unit shall be regarded as a separate building for the purpose of this exclusion.

(t) theft or neglect by tenants, including accidental damage to glass for which your tenant is responsible in terms of a lease agreement;

(u) damage which existed prior to the commencement of this policy;

(v) the cost of repairing leaking pipes, taps, waste pipes, sewers, shower bases, basins, baths, ornamental ponds, jacuzzis, hot tubs, spa baths and swimming pools; nor will we pay for the cost of repairing the damage caused by accessing the leaks;

(w) the repair of damage covered by any guarantee, service contract, purchase contract or any purchase agreement;

(x) damage as defined and provided for under Section 6: Machinery breakdown and Section 11: Water heating systems;

(y) any dishonest act on your part;

11.2 We will not cover damage to:

(a) retaining walls caused by the perils of storm, wind, water, hail or snow, unless we have agreed to insure the retaining wall(s) and have received documented proof, prior to the happening of an insured event, that the retaining wall was designed and constructed in accordance with a professional structural engineer's design specification and in accordance with building laws and regulations;

(b) synthetic tennis court and bowling green surfaces that are over 10 years old;

(c) swimming pools, spas or surrounds caused by movement of their foundations or structure.

11.3 We do not provide coverage for dents, dings and dimples to IBR, steel or metal roofing structures and accessories that does not impact the water shedding capacity or life expectancy of the roof.

SECTION 2: COMMON AREA CONTENTS

1. What is insured?

We will pay the reasonable cost of repairing or replacing movable property while they are in, on or about your common area(s) at the location shown on the Policy Schedule, for which you are legally responsible, including:

- office equipment;
- electrical equipment;
- furniture and furnishings;
- carpets and floor rugs, light fittings, internal blinds and curtains;
- built-in or portable domestic appliances;
- swimming pools and spas that are not in-ground;
- swimming pool and spa covers and accessories;
- gymnasium equipment;
- laundry equipment;
- stock on your premises;
- garden furniture and equipment
- any additional items listed in the Policy Schedule that we agree to cover.

2. What you are insured against

The insured property will be covered for sudden, unexpected and unforeseen physical loss or damage that occurs during the period of insurance.

3. What is not insured?

(a) unfixed building materials and uninstalled fixtures;

(b) personal property owned by a unit owner, tenant or your employee;

(c) money (including cash, cheques and other instruments);

(d) jewellery or precious stones;

(e) motor vehicles and their accessories, watercraft and their accessories, plant and machinery;

(f) fixed glass forming part of the structure of the building;

(g) animals, birds or fish;

(h) equipment designed to be used off-site;

(i) items which you have specifically covered under Section 3: All Risks and which are noted on your Policy Schedule, since they are more specifically covered under that section.

4. How much we will pay and how

4.1 Basis of settlement

If there is damage or loss to the contents, we may choose:

- to replace the item with the nearest equivalent item available;
- to restore or repair the item to the condition it was in when new;

– to pay you the reasonable cost of replacement or repair; or

– any combination of these up to the sum insured as shown in the Policy Schedule.

4.2 Replacement value

We will pay the reasonable cost of repairing or replacing the item of common area contents to a condition, which is substantially the same as when new, but not better or more extensive than when new. You, therefore, need to insure your common area contents for its total replacement value. This is the cost of replacing your lost or damaged items with similar ones.

When damage occurs to an item of common area contents which is part of a set, we will only pay for the reasonable cost of repairing or replacing the item itself as a proportion of the reasonable cost of repairing or replacing the whole set, notwithstanding that the set is less valuable by reason of it being incomplete.

When damage occurs to common area contents that is a wall, floor or ceiling covering (including carpets, blinds and curtains), we will pay only for the cost of repairing or replacing such item in the room, hall or passage in which the damage occurred.

4.3 Average

The most we will pay is the sum insured as shown in the Policy Schedule. If the new replacement value of the entire contents is more than the sum insured as shown in the Policy Schedule, we will not pay the full amount of your claim. We will calculate the difference between the new replacement value and the sum insured and apply this proportionately to your claim. You will be responsible for the difference.

If there is more than one item insured in the Policy Schedule, this condition will apply to each item separately.

5. Additional benefits above the sum insured of the common area contents

5.1 Common area contents in the open air

We will pay for damage to common area contents while they are in a common area but not located within a fully enclosed structure. The maximum we will pay for common area contents that are in open air or in transit is R20 000.

5.2 Loss of documents

We will pay the costs, charges and expenses necessarily incurred, in replacing, restoring or rewriting your records and books of accounts for which you are legally responsible up to the limit stated in the Policy Schedule, per incident. This will include replacement of your title deeds, including any unit owners' title deeds held in trust by you.

We will also cover your legal liability as a direct consequence of any loss or damage to your documents up to a limit of indemnity of R1 000 000.

5.3 Intercom system SIM card

We will pay for charges levied to unauthorised telephone numbers following theft of a sim card from any intercom system. The most we will pay is R2 500.

6. Limitation of cover

6.1 Accidental breakage of glass

We will pay for accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture for which you are legally responsible up to an amount of R5 000 any one event.

6.2 Power surge

Any damage caused by electrical power surge will be limited to an amount not exceeding R20 000 any one event.

6.3 Theft without forcible and violent entry

Any loss or damage caused by theft where there is no forcible or violent entry into or exit from a building, will be limited to an amount not exceeding R10 000 any one event.

7. Optional cover applicable to this section – if stated in the Policy Schedule to be included

7.1 Maintenance and cleaning equipment

We will cover loss or damage to equipment owned by you for maintaining and cleaning the premises, up to the amount show in the Policy Schedule.

8. What we will not pay

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

8.1 (a) any loss of or damage caused to common area contents resulting from construction, erection, demolition, alteration or addition;

(b) damage to carpets, blinds and curtains resulting from staining, fading or fraying;

(c) malicious damage.

8.2 Loss or damage:

(a) caused with your knowledge or consent;

(b) if the building is unoccupied for more than 60 consecutive days;

(c) caused by you or any of your members, partners, directors, principals, employees or any resident at the premises.

8.3 Any loss of or damage arising directly or indirectly out of or in any way connected with

(a) lack of maintenance or any other failure to keep any insured property in good repair;

(b) rainwater or storm water seeping or percolating through walls, roofs or floors or entering as result of structural defects, faulty materials, faulty design or faulty workmanship;

(c) mildew, mould, contamination, disease, wet or dry rot, change of colour, evaporation, rising damp or dampness of atmosphere or variations in temperature;

(d) wear and tear, corrosion, rust or oxidation, fading, chipping, scratching, or marring, gradual deterioration or developing flaws, concrete or brick spalling, normal upkeep or making good;

(e) the actions of birds, primate, primates, vermin, moths, termites, or other pests;

(f) erosion, subsidence, landslide, mud slide, or any other earth movement or collapse unless the damage arises out of an earthquake or seismological disturbance, explosion or physical impact by aircraft.

8.4 We will not pay for:

(a) damage covered by any guarantee, service contract, purchase contract or any purchase agreement;

(b) any item used by the occupant of the building as a tool of trade;

(c) any additional costs resulting from the unavailability of matching materials or equipment;

(d) common area contents in the open other than as described under Item 6.1.

SECTION 3: ALL RISKS

1. What is insured?

We will pay the cost of repairing or replacing the property that we have agreed to cover which is individually specified on the Policy Schedule and for which you are legally responsible.

2. What you are insured against?

The insured property will be covered for loss or damage by any accident or misfortune.

3. What is not insured?

(a) cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;

(b) jewellery or precious stones;

(c) personal property owned by a unit owner or tenant;

(d) motor vehicle accessories, watercraft accessories.

4. How much we will pay and how

4.1 Basis of settlement

If there is loss or damage to an individually specified item, we may choose:

(i) to replace the item with the nearest equivalent item available;

(ii) to restore or repair the item to the condition it was in when new;

(iii) to pay you the reasonable cost of replacement or repair; or

(iv) any combination of these up to the sum insured as individually specified on the Policy Schedule.

4.2 Replacement value

We will pay the reasonable cost of repairing or replacing the specified item(s) to a condition, which is substantially the same as when new, but not better or more extensive than when new. You, therefore, need to insure your specified items for their total replacement value. This is the cost of replacing your lost or damaged items with similar ones.

When damage occurs to a specified item which is part of a set, we will only pay for the reasonable cost of repairing or replacing the item itself as a proportion of the reasonable cost of repairing or replacing the whole set, despite that the set is less valuable by reason of it being incomplete.

5. What we will not pay

In addition to the general exclusions applying to all sections of the policy, we will not pay for any loss of or damage to insured items caused directly or indirectly by:

(a) mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;

(b) wear and tear, gradual deterioration, any process of cleaning, repairing or restoring or as a result of light, atmospheric or climatic conditions unless following an accident or misfortune not otherwise excluded;

(c) scratching, denting or chipping not affecting the operation of the item;

(d) during the fitting, adjustment, repair or dismantling of any insured item;

(e) inherent vice or defect, vermin, insects, damp, mildew or rust;

(f) the dishonesty of you, your employee or scheme executives whether acting alone or in collusion with others.

SECTION 4: MONEY

1. What is insured?

We will cover the loss of money which is defined as cash, bank and currency notes, cheques, postal and money orders, postage and revenue stamps, credit card vouchers, gift vouchers and other negotiable instruments.

2. What you are insured against?

We will pay you for the loss of money whilst contained inside the building during the period of insurance at the address noted on your Policy Schedule and also whilst it is in the personal custody of an scheme executive, employee or managing agent while acting on your behalf, or in transit to and from your premises for the purpose of deposit or withdrawal. This cover only applies to money used in connection with the property insured.

3. What is not insured?

We will not be liable for the excess, or the co-insured clause under the fidelity section of the policy or any other fidelity insurance.

4. How much we will pay and how

The amount we will pay per incident will not exceed the amount stated in the Policy Schedule, less the excess.

However, we will pay up to R2 500 for loss of money if not contained in a locked safe or strongroom whilst the portion of the premises containing such money is unattended.

Payment for the loss of money during the transport of money to and from the bank will be made as follows:

(i) up to R10 000 by one responsible person;

(ii) between R10 001 and R30 000 by two responsible persons;

(iii) over R30 000 by an approved professional security company.

The transit of money between your premises and the bank must be uninterrupted; however, this does not apply where money is transported by an approved professional security company.

5. Additional benefits above the sum insured

5.1 Locks and keys

We will pay the costs necessarily incurred in replacing locks and keys to any receptacle at your premises following upon the disappearance of any key to the receptacle, or following upon you having reason to believe that an unauthorised person may be in possession of a duplicate of such key, up to the limit as stated on the Policy Schedule.

5.2 Personal assault

We will cover bodily injury caused by accidental, violent, external and visible means as a result of theft, or any attempt thereat, to you, any scheme executive or employee while such person is acting in the course of his duties in your employ.

The maximum amount for which you can claim is R10 000.

5.3 Receptacles and clothing

In the event of an insured loss, we will pay the costs necessarily incurred in replacing of receptacles and clothing (as defined below) against loss or damage, up to the limit as stated on the Policy Schedule.

Receptacle means any safe, strong room, strong box, till, cash register, cash box or other receptacle for money.

Clothing means personal effects not otherwise insured and belonging to you, any scheme executive or employee.

5.4 Skeleton keys

We will cover loss of or damage to the property insured caused or accompanied by, entry to receptacles by the use of a skeleton key or other similar device (excluding a duplicate key) provided that you can prove to us that a skeleton key or device was used.

6. What we will not pay

In addition to the general exclusions applying to all sections of the policy, we will not pay for loss or damage:

(a) arising from a shortage of money due to error or omission;

(b) arising from the dishonesty of any scheme executive or any employee not discovered within 14 working days of the occurrence thereof;

(c) arising from the use of keys to any safe or strong room unless the keys are obtained by violence or threats of violence;

(d) to money in any vehicle being used for the transport of money to the bank, unless you, an employee or scheme executive is in the vehicle. This exception shall not apply following an accident involving such vehicle rendering the said person incapacitated.

SECTION 5: FIDELITY RISK AND COMPUTER CRIME

1. What is insured?

We will cover you for the value of funds which are lost as a direct result of an insured event, the act of which was committed by an insurable person for their dishonest personal financial gain.

Special meaning of words

INSURABLE PERSON means

(a) ***Employee*** being any person whilst employed under a contract of service with you BUT excluding managing agents and/or their employees, appointed contractors, sub-contractors or other persons acting on behalf of or under the managing agent's direction.

(b) ***Scheme executive*** being any natural person who is a

- Trustee appointed by the Body Corporate but excluding an executive managing agent appointed by the Body Corporate;
- Director and/or prescribed officer appointed by any Home Owner's Association;
- Director and/or members appointed by Shareblock Investors;
- Committee member appointed by the Management Committee of a retirement scheme.

(c) ***Agent*** being a person who exercises executive control over your money BUT excluding managing agents and/or their employees, appointed contractors, sub-contractors or other persons acting on behalf of or under the managing agent's direction.

Any person who ceases to be an employee, scheme executive or agent (as defined) shall for the purpose of this section, be considered as being an employee, scheme executive or agent for a period of 30 days after he in fact ceased to be such.

COMPUTER CRIME means

Loss resulting directly from fraudulent or dishonest

(i) entry of data into; or

(ii) change of data elements or programmes within;

your computer system, provided such entry or change causes:

(a) property to be transferred, paid or delivered;

(b) an account of the fund to be added, deleted, debited or credited;

(c) an unauthorised account or fictitious account to be debited or credited;

all of which occurs during the period of insurance and which is discovered during the period of insurance or within 12 months of the termination of your policy.

FUNDS means

money, negotiable instruments or securities owned or received by you, or collected on your behalf for the purpose of the management of the your affairs or tangible property owned by you. Funds do not include the personal money, securities and/or tangible property of unit owners, tenants and Insured Persons.

2. What you are insured against

We will pay you for the fraudulent misappropriation of funds that have been set aside for the purpose of management of the affairs of the Body Corporate, company or scheme occurring during the currency of this section and which results in dishonest personal financial gain for the insurable person concerned. Fraudulent misappropriation of funds shall include theft, embezzlement, misappropriation and computer crime.

3. What is not insured?

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

4. Your responsibilities

(i) You are required to institute and/or maintain and continue to employ in every material manner all such systems of check and control, accounting and clerical procedures and methods of conducting your affairs as has been represented by you to ourselves but you may:

- change the remuneration and conditions of service of any employee;
- change the duties and position of any employees.

(ii) If required by ourselves, you will report the incident of fraud or dishonesty to the police and assist them in all investigations.

5. How much we will pay and how

We shall pay the direct financial loss sustained by you as a result of an insured event, provided all losses are discovered not later than 12 months after termination of this policy.

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

The maximum amount for which you can claim is the sum stated on the Policy Schedule, whether involving one insurable person or any number of insurable persons acting in collusion or independently of each other. The renewal of this policy from period to period, or any extension of any period of insurance shall not have the effect of accumulating or increasing the maximum amount we will pay.

If you sustain any insured loss which exceeds the amount payable under this section, you shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or affected by ourselves).

6. Additional benefits above the sum insured

6.1 Reinstating office records

We will pay the costs, charges and expenses necessarily incurred by you in replacing and restoring any computer files and data media documents, manuscripts, business books, plans, design specifications or programmes destroyed, damaged or lost as a result of an insured event covered by this section of the policy up to the limit stated on the Policy Schedule.

6.2 Cost of recovery

Should any loss, as a result of an insured event under this section, exceed the limit of indemnity as stated on the Policy Schedule, we will pay the reasonable costs and expenses necessarily incurred by you for recovery or attempted recovery for that portion of loss, which exceeds the indemnity limit, from the insurable person.

The most we will pay for this benefit is the amount stated on the Policy Schedule.

7. Optional cover applicable to this section – if stated in the Policy Schedule to be included

7.1 Managing Agents extension

This section is extended to include the appointed managing agent as an insurable person. The appointment must be a written contract or written service level agreement between the managing agent and the Body Corporate, company or scheme.

The maximum amount for which you can claim due to any fraudulent misappropriation of funds by your appointed managing agent is the sum stated for this extension on the Policy Schedule. The renewal of this policy from period to period, or any extension of any period of insurance shall not have the effect of accumulating or increasing the maximum amount we will pay.

MANAGING AGENT means

A person or company, their employees, contractors and other persons acting on behalf of or under their direction, with delegated functions, appointed by the Body Corporate, company or scheme, to control, manage and administer the business or affairs of the Body Corporate, company or scheme.

8. What we will not pay

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

(a) losses resulting from or contributed to by the fraud or dishonesty of any insurable person from the time you shall become aware that such insurable person has committed any fraud or dishonesty;

(b) any losses arising out of an event committed prior to inception of this policy or any circumstance which was known to you or you ought reasonably to have known about prior to inception of this policy;

(c) consequential losses of any kind following an insured event;

(d) any loss where indemnity is payable under any other fidelity fund or insurance policy except for those amounts not indemnified by any such other policy whether by the loss falling within the policy's excess, or due to the total loss exceeding the limit of indemnity or Limit of indemnity provided by that policy;

(e) any loss discovered more than twelve months after the expiry of this policy or termination of the employment of the insurable person who caused the loss, whichever occurs first;

(f) fines, penalties or damages;

(g) unintentional acts, errors or omissions;

(h) any third party claim arising from or contributed to by depreciation (or failure to appreciate) in value of any investment, including loans, securities, commodities, currencies, options and futures transactions, or as a result of any actual or alleged representation, guarantee or warranty provided by or on your behalf as to the performance of any such investments where such matters are outside the influence or control of the insurable person;

(i) actual or alleged bodily injury, sickness, disease or death of any person or any actual or alleged loss or destruction of or damage to any tangible property including loss of use thereof;

(j) any loss in respect of seepage, pollution or contamination of any kind;

(k) any loss where legal action or litigation is brought in a court of law within the United States of America or Canada or their respective territories or possessions or where legal action or litigation is brought in a court outside those territories to enforce judgement in those territories whether by way of reciprocal agreement or otherwise.

SECTION 6: MACHINERY BREAKDOWN

1. What is insured?

We will cover machinery, boilers and pressure equipment installed at your premises.

The sum insured for each additional item of machinery separately specified in the Policy Schedule must be equal to the installed new replacement value at all times.

Special meaning of words

MACHINERY means

mechanical and electrical plant and machinery owned by you or for which you are legally responsible including but not limited to:

- air conditioning plants;
- lifts, escalators or elevators;
- swimming pool and borehole pumps;
- submersible pumps;
- saunas, spa baths and jacuzzis;
- automatic gates and garage doors;
- transformers and electrical switch gear;
- generators.

BOILERS AND PRESSURE EQUIPMENT means

those parts of the permanent structure of boilers and pressure plant separately specified in the Policy Schedule which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) or vacuum including:

- fittings, pipes and direct attachments which are connected to the permanent structure without any intervening valve or cock;
- supports for the structure (other than foundations, masonry or brickwork) such as furnace doors, access doors, external combustion chambers, smoke boxes and casings; and
- metal parts of pressure and water gauges and their connections to the permanent structure.

Provided that these items:

- have successfully completed initial commissioning; and
- are owned by you or for which you are legally responsible.

BREAKDOWN means

sudden and unforeseen physical loss or damage to machines, boilers and pressure plant from any cause not excluded, which requires repair or replacement to enable normal working to continue.

COLLAPSE means

the sudden distortion of the furnace of a boiler or any part of a pressure vessel caused by the bending or crushing of the permanent structure by the force of steam, gas, fluid pressure or vacuum including sudden and unforeseen physical loss or damage caused by overheating resulting from a deficiency of water.

2. What you are insured against

We insure you against sudden and unforeseen physical loss or damage to machinery that requires repair or replacement, provided that the insured item is on your premises and is in the ordinary course of working at the time the damage occurs.

In the event of an insured loss, we will also pay the cost of:

(i) dismantling, re-erection of machinery, boilers and pressure plant and/or their parts together with removal of debris;

(ii) replacement of refrigerant gases, liquids or insulating oil necessary to complete repairs;

(iii) charges for overtime and work on public holidays where necessarily and reasonably incurred;

(iv) freight within Republic of South Africa by any recognised freight services limited to a maximum of 10% of the sum insured for the item involved;

(v) hire of a temporary replacement item during the time taken to repair damage to any item limited to a maximum of 10% of the sum insured for the item involved.

3. What is not insured?

We will not cover machinery, boilers and pressure equipment:

(a) used as a tool of trade;

(b) with a cylinder capacity less than 300 litres.

4. Your responsibilities

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

You must also enter into and maintain a comprehensive maintenance agreement for the servicing and repair of machinery operating lifts within the insured buildings.

5. How much we will pay and how

We will at our option repair or replace the machinery or pay for the cost of same to a condition equal but not better or more extensive than its condition immediately before the insured damage.

Unspecified items

If we accept a claim under this section for:

(a) Breakdown of machines, boilers and pressure equipment we will, at our option, pay the cost of repairs or replacement, up to the maximum sum insured of R50 000 as stated on the Policy Schedule.

(b) Collapse or explosion of boilers and pressure plant, we will, at our option, repair or replace the damaged or destroyed item(s) or pay the cash equivalent of such repair or replacement up to the maximum sum insured of R50 000 as stated on the Policy Schedule.

Specified items

If we accept a claim under this section for:

(a) ***Breakdown*** of machines, boilers and pressure equipment we will, at our option, pay the cost of repairs or replacement, up to the sum insured as stated on the Policy Schedule per individually listed item.

(b) ***Collapse or explosion*** of boilers and pressure plant, we will, at our option, repair or replace the damaged or destroyed item(s) or pay the cash equivalent of such repair or replacement up to the sum insured as stated on the Policy Schedule per individually listed item.

Basis of settlement

A. Partial loss

The basis of settlement shall be the cost and expenses reasonably and necessarily incurred to restore the damaged machinery to its working condition, including the cost of transport, gaining access, dismantling and re-erection, labour, custom dues, less the value of any re-usable parts.

We will also pay for the cost of liquids, refrigerant gas or insulating oil, in order to complete the repairs and will not make any deduction for depreciation in respect of parts replaced. However, we will not pay for the costs of any alteration, addition, improvement or overhaul carried out at the time of repair or replacement.

We will pay the cost of temporary repairs that are carried out by you in the interests of safety or to minimize further loss or damage to the insured property. If the temporary repairs, however, aggravate the loss, or cause additional loss or damage to the insured property, the additional costs so incurred or consequences arising therefrom will be for your account.

Where the damage is restricted to a part or parts of an insured item, we will not pay any amount greater than the value of such part or parts which are lost or damaged, as allowed for in the sum insured.

B. Total loss

In the event that the machinery is totally destroyed the basis of settlement shall be the new replacement value immediately before the damage occurred, less a reasonable amount for use, plus the cost of removing the damaged machinery. No depreciation will be applied to machinery under 3 years of age.

An insured item shall be regarded as a total loss when the item is not repairable.

Average – applicable to Specified items

If, at the time of an insured loss, it is found that the total value of an item which is individually specified, is at the time of the happening of any loss or damage to the item, of greater value than the sum insured thereon, you shall be considered as being your own insurer for the difference and shall bear a rateable share of the amount of the loss or damage. Each item individually listed on the Policy Schedule shall be separately subject to this condition.

Unobtainable or obsolete parts

If the necessary parts are unobtainable, obsolete or unavailable, our liability will be limited to the:

- estimated cost of similar parts that are currently available for equipment that is similar to that which suffered loss or damage;
- manufacturer's or supplier's last list price for the part(s) involved.

6. What we will not pay

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

6.1 The costs associated with:

(a) cleaning or maintenance services;

(b) alterations, additions, improvements, overhauls, maintenance, adjustments or the replacement of undamaged components whether carried out in the course of repairs or as a separate operation;

(c) replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);

(d) repair of scratches to, or discolouration of, painted or polished surfaces;

(e) adjustment, cleaning or recharging of refrigeration or air conditioning equipment unless necessary as part of the repair of any machine insured under this section;

(f) provisional repairs or remedial action unless such repairs or action constitute part of the final repairs and do not increase the total repair costs;

(g) loss of refrigerant, oil or lubricant due solely to worn or deteriorated seals or valves;

(h) the cost of converting refrigeration/air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.

6.2 The costs of repair or replacement of:

(a) belts, filters, refrigerant dryers, fuses, electric heating elements, electrical contacts, thermostats, thermostatic expansion valves, lamps, gland packing, seals, cutting blades, commutators, slip rings, brushes, chains, ropes, switches, bearings, glass or ceramic components, joints or non-metallic parts and all operating media;

(b) component parts necessitated by wear and tear caused by or resulting from ordinary use or working or gradual deterioration;

(c) storage tanks and vats.

6.3 Loss, destruction or damage caused by:

(a) any crack, fracture, blister, lamination, flaw or grooving, even when accompanied by leakage, which has not penetrated completely through the entire thickness of the material of the machine or boilers and pressure plant;

(b) any slowly developing deformation or distortion to any machine or boilers and pressure plant;

(c) fire, spontaneous combustion, smoke or soot, extinguishment of a fire or subsequent demolition;

(d) any cause otherwise covered by this policy;

(e) any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the machine of boilers and pressure plant;

(f) unloading or delivery to or loading prior to dispatch from the location;

(g) testing and commissioning, intentional overloading or experiments, and any usage beyond or outside the manufacturers specifications.

6.4 Loss, destruction or damage:

(a) covered under any warranty or service agreement or would have been covered under a warranty or service agreement if you had not breached the terms of the warranty or service agreement;

(b) to reticulated electrical wiring or piping that carries liquid or gas; or

(c) to safety or protective devices caused by its own operation;

(d) caused by the operation of a machine when in a materially defective condition;

(e) caused by any willful act or negligence on your part;

(f) caused by consequential loss of any kind whatsoever.

SECTION 7: LIABILITY

1. What is insured?

Claims made basis

We will pay for damages arising from personal injury or property damage which you shall become legally liable to pay as owner (but not as occupier) of the insured buildings and common property and which occurred in the course of or in connection with your ownership of the insured property on or after the retroactive date shown in the Policy Schedule and which results in a claim first being made against you in writing during the period of insurance.

Special meaning of words

AN OCCURRENCE means

An event, including continuous or repeated exposure to substantially the same general conditions, which results in personal injury or property damage neither expected nor intended by you to happen.

RETROACTIVE DATE means

The date from which you have been continuously insured under one policy, or successive policies, of claims made insurance which provided the same or similar cover to this policy.

COST AND EXPENSES mean

Costs, charges, expenses and legal costs and disbursements incurred by:

(a) you with our written consent; or

(b) us after we have assumed conduct of any proceedings in:

- (i) defending any proceedings;
- (ii) conducting any claim for contribution or recovery; or
- (iii) investigating, avoiding or reducing or settling any claim for compensation.

PERSONAL INJURY means

(a) bodily injury, sickness or disease sustained by any person including resultant death;

(b) wrongful arrest and defamation;

(c) wrongful entry or wrongful eviction or other invasion of privacy;

(d) assault not committed by you or at your direction unless for the purpose of preventing personal injury or property damage.

PROPERTY DAMAGE means

physical damage to, or loss or destruction of, tangible property including subsequent loss of use from the damage or destruction;

VEHICLE means

(i) any mechanically propelled land vehicle and any trailer, semi-trailer or caravan whilst attached thereto;

(ii) any motorcycle or motorised bike.

This does not mean motorised maintenance equipment and golf carts that do not require registration by any legislation or authority or motorised wheelchairs.

2. What you are insured against?

We will pay on your behalf all amounts which you become legally liable to pay for compensation for:

(a) personal injury; or

(b) property damage;

(c) or both.

3. Additional cover and benefits

3.1 Cross liability

(a) where more than one party is insured in terms of this section, we will cover each party separately and not jointly. Any liability arising will be treated as if a separate policy had been issued to each of the said parties but nothing contained in this clause will operate to increase our limit of liability as stated on the Policy Schedule.

(b) we will indemnify as though a separate policy had been issued to each of your scheme executives or employees (such persons), but we will only cover them for liability incurred by them whilst acting within the scope of their duties in such capacity and provided that:

  (ii) you requested us to do so;

  (iii) we will not be liable for more than the limit of indemnity.

  For the purpose of this cover extension we waive all rights of subrogation which we may have, or acquire against any such persons.

3.2 Emergency medical expenses

We will pay up to an amount of R50 000 for all reasonable expenses you incur for such immediate medical treatment that may be necessary at the time of an occurrence that causes injury to any person who may be the subject of a claim covered in terms of this section.

3.3 Statutory legal defence costs

We will pay defense costs up to a limit of R75 000 any one occurrence and R150 000 any one (annual) period of insurance which you, any employee or scheme executive may incur, with our consent, in the defense of any prosecution of such person from an alleged contravention of the Statutes, as listed below, in the course of their service with you during the period of insurance.

Provided that:

(a) in the case of an appeal, we will not indemnify such person unless a senior counsel approved by us shall advise that the appeal should, in his opinion, succeed;

(b) we will not indemnify such person in respect of any fine or penalty imposed by any magistrate, judge or other authority or any loss as a consequence of this;

(c) such person, as though he were you, will be subject to the terms and conditions of this section and the policy.

The Statutes

(i) The Occupational Health and Safety Act No. 85 of 1993 (as amended);

(ii) The Compensation for Occupational Injuries and Diseases Act No.130 of 1993 (as amended);

(iii) The Electricity Act No. 41 of 1987 (as amended) and/or any other Act or Ordinance pertaining to the supply of electricity.

3.4 Wrongful arrest and defamation

We will pay defense costs and costs incurred up to a limit of R75 000 any one occurrence and R150 000 any one (annual) period of insurance which you, any employee or scheme executive may incur for your liability to any person resulting from the wrongful arrest including wrongful assault, or defamation of such person during the period of insurance.

4. How much we will pay and how

The total amount we will pay, inclusive of all costs and expenses, in respect of all claims under this section, shall not exceed the limit of indemnity as stated on the Policy Schedule during any one period of insurance starting with the inception or renewal date whichever is applicable, regardless of the number of claims made or reported.

Should the limit of indemnity be altered during the period of insurance the limit of indemnity which applied when you first became aware of the event will apply to all claims made or deemed to have been made or arising out of such event.

Where more than one period of insurance of this policy, following its renewal or replacement may apply to an occurrence, our liability will be limited to the maximum limit of indemnity for any such period of insurance starting with the inception or renewal date whichever is applicable and shall not aggregate from one period of insurance to the next.

Any sum paid by us in the discharge or settlement of any threat or intimation of a claim or in relation to any circumstance which might give rise to a claim, shall be deemed to be a payment made in the discharge or settlement of a claim.

We have the right to negotiate, defend or settle in your or the scheme executive's name and on your or the scheme executive's behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.

If you refuse to consent to any settlement recommended by us and choose to continue with any legal proceedings in connection therewith, our liability for the loss will not exceed the amount for which the claim could have been settled including the costs and expenses incurred up to the date of such refusal, provided that the limit of indemnity is not exceeded.

5. Optional cover applicable to this section – if stated in the Policy Schedule to be included

Food and drink

We will cover personal injury to other people, for which you are held legally liable, caused by food and drinks supplied in connection with your common property.

The maximum amount payable per occurrence is noted on your Policy Schedule.

6. Special conditions applicable to this section

6.1 Claims first made in writing against the insured

Any claim first made in writing against you as a result of an occurrence shall be treated as if it had first been made against you on the same day that you reported the event to us.

6.2 Reporting of events after cancellation or non-renewal of your policy

If your cover with us cancels, you must report the incident which occurred while you were covered with us within 30 days from the date your cover is cancelled.

7. What we will not pay

We will not pay claims arising from:

(a) your car park being operated by someone else as a commercial car park;

(b) your use, ownership or possession of any motor vehicles, motorcycles, mini-bikes, trailer or watercraft other than golf carts, ride-on mowers or motorised maintenance equipment;

(c) your use, ownership, possession, maintenance, operation, hire or leasing of any aircraft, airline, airport, airstrip or helicopter pad or the refueling or defueling of aircraft or helicopter;

(d) injury or damage sustained by:

  (i) any scheme executive or member of the same household as you;

  (ii) any person employed by you under a contract of service and arising directly from and in the course of such employment by you;

(e) any claim arising from an event known to you

  (i) which is not reported to us in terms of General condition 30 of Section 21;

  (ii) prior to inception of this policy or inception of any extension under this section.

(f) damage to property:

  (i) belonging to you;

  (ii) in the custody or control of yourself or any of your employees;

  (iii) caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure;

  (iv) on which you are or have been working if such damage results directly from such work;

(g) any liability assumed by agreement, except where liability otherwise exists in law in the absence of such agreement;

(h) any judgment, award or settlement made in the first instance outside the Republic of South Africa or any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part;

(i) any alterations, servicing, repairing or additions to lifts, escalators or hoists that you do. This includes anything that is part of a lift, escalator or hoist. This does not apply to any alterations, servicing, repairing or additions to lifts, escalators or hoists carried out by a person or company that you employ or contract and that person or company is qualified to make any alterations, servicing, repairing or additions to lifts, escalators or hoists;

(j) Injury, damage or loss of use of property directly or indirectly caused by seepage,pollution or contamination provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence;

(k) the cost of removing, nullifying or cleaning up substances resulting from seepage, pollution, contaminant substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence;

(l) liability 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;

(m) the ownership, possession, maintenance, repair, operation or use by you or on your behalf of any facilities at the premises as stated in the Policy Schedule that are used for commercial purposes, including but not limited to childcare, frail care, schools, conference or meeting rooms, golf or putting course, gymnasium or other exercise facility, laundry or dry cleaner, man-made lake or natural water course, medical or chemist, marina, playground, shops, swimming or other aquatic complex, tennis or squash court, unless such facility is specifically noted on the Policy Schedule as not subject to this exclusion;

(n) any liability consequent upon injury or damage arising out of the deliberate, conscious and intentional disregard by you, your employee(s) and/or scheme executives of the need to take reasonable precautions to prevent any occurrence which may give rise to a claim;

(o) any of your internal or overhead expenses or the cost of your time;

(p) fines or penalties imposed by-law (including civil penalties), vindictive, punitive or exemplary damages.

SECTION 8: SCHEME EXECUTIVE LIABILITY

1. What is insured?

Wrongful act(s) committed by your scheme executive(s) whilst acting in their capacity as a scheme executive and carrying out their duties.

Special meaning of words

LOSS means any:

(a) money payable according to a judgment or a settlement made with our prior written consent;

(b) legal costs awarded against you;

(c) legal costs incurred by us, or by you with our prior written consent, in the investigation, defence of settlement of any claim.

CLAIM means any:

(a) written or verbal complaint containing a demand for compensation or damages alleging a wrongful act which a reasonable person may believe might result in a claim for compensation, damages or other relief other than for legal costs where the wrongful act itself did not result in loss;

b) civil proceedings brought by a third party for recovery of compensation or damages in relation to a wrongful act; or

(c) criminal proceedings brought against you alleging a wrongful act.

YOU, YOUR AND YOURS mean

The Body Corporate/Home Owner's Association/Shareblock Investors/Management Committee and the scheme executives of the named entity:

(a) ***Body Corporate:*** the controlling body of the building(s) described in the schedule and acting within the requirements of the Sectional Titles Management Schemes Act no. 8 of 2011 (or as may be amended from time to time);

(b) ***Home Owner's Association:*** the directors of a non-profit company acting within the requirements of the Companies Act 71 of 2008 (or as may be amended);

(c) ***Shareblock Investors:*** the directors/members of a syndicate or company acting within the requirements of the Shareblocks Control Act no. 59 of 1980 (or as may be amended);

(d) ***Management Committee*** acting within the requirements of the Housing Development Schemes for Retired Persons Act no. 65 of 1988 (or as may be amended).

SCHEME EXECUTIVE means

Any natural person who is a past, present or future:

(a) Trustee(s) appointed by the Body Corporate but excluding an executive managing agent appointed by the Body Corporate;

(b) Director(s) and/or prescribed officer(s) appointed by any Home Owner's Association;

(c) Director(s) and/or members appointed by Shareblock Investors;

(d) Committee member(s) appointed to the management committee of a retirement scheme.

WRONGFUL ACT means

Any actual or alleged error, breach of trust, breach of duty, neglect, misstatement, misleading statement or omission by a scheme executive whilst acting in his or her capacity as scheme executive and carrying out the duties and requirements of the business as defined under Section 22 of this policy.

RETROACTIVE DATE means

The date from which your scheme executive(s) have been continuously insured under one policy, or successive policies, of claims made insurance which provided the same or similar cover to this policy.

2. What you are insured against?

We will pay any loss arising out of claims brought against you by reason of a wrongful act committed on or after the retroactive date stated on the Policy Schedule and occurring, or first made during the period of insurance but not prior to the retroactive date stated on the Policy Schedule; and notified to us in writing in accordance with the provisions of Item 4 "Your responsibilities" of this section, provided this notice is received during the period of insurance; and such claim is arising out of a wrongful act not excluded in this section or excluded under Section 20: General exclusions.

Where we insure more than one party, the application for insurance is construed as a separate application by each scheme executive. When determining whether coverage is available under this policy:

(a) any failure by a scheme executive to comply with the duty of disclosure shall not be imputed to any other scheme executive, where the other scheme executive is innocent of and had no prior knowledge of the failure; and

(b) for the purposes of what we will not pay, no facts pertaining to conduct of or knowledge possessed by a scheme executive shall be imputed to any other scheme executive.

3. What is not insured?

(a) Any authorised management agency, director, partner, representative or employee of a management agency with whom you, or the owner of a unit in your buildings, have entered into any management agreement;

(b) Any former management agency, who was an authorised managing agent, director, partner, representative or employee of a management agency with whom you, or the owner of a unit in your scheme, have entered into any management agreement.

4. Your responsibilities

(a) a scheme executive must give written notice to us of any claim made against them in accordance with the provisions of General condition 30 of Section 21;

(b) the scheme executive(s) must give all reasonable assistance to and co-operate with us in the defense of any claim;

(c) neither the scheme executive nor yourself should admit liability, settle any claim, assume any obligation, nor incur any costs and expenses without our prior written consent;

(d) you and the scheme executive must use due diligence and act at all times to avoid or diminish any claim;

5. How much we will pay and how

The total amount we will pay, inclusive of all costs and expenses, in respect of all claims under this section, shall not exceed the limit of indemnity as stated on the Policy Schedule during any one period of insurance starting with the inception or renewal date whichever is applicable, regardless of the number of claims made or reported.

Should the limit of indemnity be altered during the period of insurance the limit of indemnity which applied when you first became aware of the event will apply to all claims made or deemed to have been made or arising out of such event.

Where more than one period of insurance of this policy, following its renewal or replacement may apply to an occurrence, our liability will be limited to the maximum limit of indemnity for any such period of insurance starting with the inception or renewal date whichever is applicable and shall not aggregate from one period of insurance to the next.

Any sum paid by us in the discharge or settlement of any threat or intimation of a claim or in relation to any circumstance which might give rise to a claim, shall be deemed to be a payment made in the discharge or settlement of a claim.

We have the right to negotiate, defend or settle in your or the scheme executive's name and on your or the scheme executive's behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.

If you refuse to consent to any settlement recommended by us and choose to continue with any legal proceedings in connection therewith, our liability for the loss will not exceed the amount for which the claim could have been settled including the costs and expenses incurred up to the date of such refusal, provided that the limit of indemnity is not exceeded.

6. Special conditions applicable to this section

6.1 Claims first made in writing against the insured

Any claim first made in writing against you as a result of an occurrence shall be treated as if it had first been made against you on the same day that you reported the event to us.

6.2 Reporting of events after cancellation or non-renewal of your policy

If your cover with us cancels, you must report the incident which occurred while you were covered with us within 30 days from the date your cover is cancelled.

7. What we will not pay

We will not pay claims arising from:

(a) indemnity claimed or claimable in terms of any other insurance or otherwise more specifically covered by any section of this policy, or any failure to effect or maintain adequate insurance;

(b) any profit or advantage gained by an scheme executive where that scheme executive was not legally entitled or for which the scheme executive may be held accountable to you, a unit owner or any other person or entity;

(c) money or gratuity given to an scheme executive without authorisation by you where such authorisation is necessary or prescribed by The Act, Management Rules or as required by-law;

(d) any warrant or guarantee;

(e) any trading or personal debt of an scheme executive;

(f) a scheme executive gaining or having gained any personal profit or advantage to which they are not legally entitled or for which they may be held accountable to you or another unit owner;

(g) personal injury or property damage;

(h) breach of any obligation owed to any employee of an scheme executive or you;

(i) libel or slander;

(j) any duty, tax, levy or other impost;

(k) remuneration for which the Body Corporate or company is legally liable;

(l) an incident that may result in a claim of which you were aware, or could reasonably have been expected to be aware of, prior to the inception date of this policy;

(m) any of your internal or overhead expenses or the cost of your time;

(n) fines or penalties imposed by-law (including civil penalties), vindictive, punitive or exemplary damages;

(o) any conflict of duty and/or interest;

(p) any liability assumed in contract except where that liability would otherwise exist at law in the absence of the contract;

(q) any intentional exercise of a power where the exercise of the power is for a purpose other than the purpose for the power was conferred by the articles of the insured;

(r) any alleged or actual dishonest, fraudulent, malicious or criminal act or omission but this exclusion will not apply to costs and expenses incurred in successfully defending such claim. All costs, charges and expenses advanced in terms hereof shall be repaid to us immediately should the defense, or reasonable appeals as agreed with us, be unsuccessful;

(s) any claim brought in a court of law or tribunal outside the territorial limits stated in the Policy Schedule;

(t) any:

    (i) claim first made prior to the retroactive date stated on the Policy Schedule;

    (ii) claim or circumstances notified, in whole or part, to the us or any other insurer prior to the policy period; or

    (iii) claim or circumstances of which you or any scheme executive against whom the claim is made, was aware or ought reasonably to have been aware, prior to the policy period;

    (iv) claim or circumstances notified to us after the expiry of this policy other than as stated under Item 6.2 of this section;

    (v) death, bodily injury, sickness or disease of any person, or damage to, or loss of use of, any tangible property.

SECTION 9: EMPLOYERS LIABILITY

1. What is insured?

We will pay for defence costs incurred, as well as damages and claimant's cost and expenses you are legally liable to pay to any employee following an occurrence on or after the retroactive date as stated on the Policy Schedule, which results in a claim first made against you in writing during the period of insurance and notified to us in accordance with the provisions of General condition 30 of Section 21.

DEFENCE COSTS means

Fees, costs, charges and expenses incurred by us, or by you with our prior written consent, in the investigation, defence, monitoring and settlement of any claim.

OCCURRENCE means

An event which results in personal injury neither expected nor intended by you to happen. All events of a series consequent on or attributable to one source or original cause are deemed to be one occurrence.

RETROACTIVE DATE means

The date from which you have been continuously insured under one policy, or successive policies, of claims made insurance which provided the same or similar cover to this policy.

EMPLOYEE means

Any person employed by you under a contract of service but excluding managing agents and/or their employees or appointed contractors or their sub-contractors.

2. What you are insured against?

We will provide you with cover in respect of:

(a) accidental death to; or

(b) accidental bodily injury to; or

(c) accidental illness to

any employee and which occurred in the course of and in connection with such person's employment by you within the territorial limits of the policy.

We will only pay if the employee is doing work for you in respect of your ownership, and management of the buildings and common property insured under this policy.

3. How much we will pay and how

The total amount we will pay, inclusive of all costs and expenses, in respect of all claims under this section, shall not exceed the limit of indemnity as stated on the Policy Schedule during any one period of insurance starting with the inception or renewal date whichever is applicable, regardless of the number of claims made or reported.

Should the limit of indemnity be altered during the period of insurance the limit of indemnity which applied when you first became aware of the event will apply to all claims made or deemed to have been made or arising out of such event.

Where more than one period of insurance of this policy, following its renewal or replacement may apply to an occurrence, our liability will be limited to the maximum limit of indemnity for any such period of insurance starting with the inception or renewal date whichever is applicable and shall not aggregate from one period of insurance to the next.

Any sum paid by us in the discharge or settlement of any threat or intimation of a claim or in relation to any circumstance which might give rise to a claim, shall be deemed to be a payment made in the discharge or settlement of a claim.

We have the right to negotiate, defend or settle in your or the scheme executive's name and on your or the scheme executive's behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.

If you refuse to consent to any settlement recommended by us and choose to continue with any legal proceedings in connection therewith, our liability for the loss will not exceed the amount for which the claim could have been settled including the costs and expenses incurred up to the date of such refusal, provided that the limit of indemnity is not exceeded.

4. Special conditions applicable to this section

4.1 Claims first made in writing against the insured

Any claim first made in writing against you as a result of an occurrence shall be treated as if it had first been made against you on the same day that you reported the event to us.

4.2 Reporting of events after cancellation or non-renewal of your policy

If your cover with us cancels, you must report the incident which occurred while you were covered with us within 30 days from the date your cover is cancelled.

5. What we will not pay

We will not pay claims arising from:

(a) liability assumed by you under any contract, undertaking or agreement where such liability would not have attached to you in the absence of such contract, undertaking or agreement;

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

(c) any judgment, award or settlement made in the first instance outside the Republic of South Africa or any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part;

(d) benefits given by any legislation;

(e) any occurrence that may result in a claim of which you were aware, or could reasonably have been expected to be aware of, prior to the inception date of this policy;

(f) an occurrence for which you are entitled to claim under another policy that ended before this policy started;

(g) any of your internal or overhead expenses or the cost of your time;

(h) fines or penalties imposed by-law (including civil penalties), vindictive, punitive or exemplary damages.

6. Optional cover applicable to this section – if stated in the Policy Schedule to be included

6.1 Employee assist

This extension covers your employee(s) who qualify for benefits under the Compensation for Occupational Injuries & Disease Act ("COID") and applies only to injuries sustained whilst such employee is acting within the scope of their employment.

6.1.2 How much we will pay

(a) cover is restricted to temporary total disability (accident) only and compensation is limited to the difference between the employee's actual salary and the amount paid by COID, up to a maximum of R3 000 per week for a period not longer than 52 weeks from the date of the accident;

(b) each and every claim is subject to an excess of 1 (one) week.

6.1.3 Additional benefit to this extension

ACCIDENT EXPERT

1. you will have access to assistance with all claims management and handling in respect of the following by contacting 0860 103 8065 or support@accidentexpert.co.za

2. COID Assistance; you will be assisted to:

(a) prepare and submit claims in accordance with the COID Act;

(b) avoid penalties by submitting your annual Return of Earnings to COID timeously;

(c) avoid the payment of excessive fees;

(d) reduce the claims waiting period for the payment.

In the event of you/your employee having a valid claim, Accident Expert does not guarantee performance by the Compensation Commissioner.

6.1.4 What we will not pay

There is no compensation payable in respect of your injured employee:

(i) whilst such person is travelling by air other than as a passenger and not as a member of the crew or for the purpose of any trade or technical operation therein or thereon;

(ii) by his suicide or intentional self-injury;

(iii) caused solely by an existing physical defect or other infirmity of such person;

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

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

- motor cycling (whether as a driver or passenger) other than whilst he is engaged on your business;
- racing of any kind involving the use of any power driven vehicle, vessel or craft;
- mountaineering, winter sports involving snow or ice, polo on horseback, steeple chasing, professional football or hang-gliding.

(vi) as a result of his participation in any riot or civil commotion;

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

SECTION 10: VOLUNTARY WORKERS PERSONAL ACCIDENT

1. Who is insured?

We will cover persons who are working on a voluntary basis for you at the insured premises stated in the Policy Schedule.

Special meaning of words

VOLUNTARY WORKER means

a person working on your behalf and at your direction without payment or reward or any expectation of any remuneration.

A voluntary worker excludes any scheme executives, employees, managing agents, contractors and any persons who receive payment or any form of reward for work performed.

INJURY means

death or permanent disablement.

PERMANENT DISABLEMENT means

disablement as a result of an injury that entirely prevents a voluntary worker from carrying out all of their duties performed on your behalf in connection with the insured premises.

This includes the loss of use of both hands or feet or of one hand and one foot, the loss of use of one or both eyes.

2. What you are insured against

We will pay compensation to any voluntary worker who suffers death or disability caused solely and directly by violent, accidental, external and visible means as a result of an accident, occurring during the period of insurance, and whilst the voluntary worker is working on your behalf in connection with the insured premises.

3. What is not insured?

Injury arising out of or in relation to any pre-existing medical condition, sickness, disease or mental illness.

4. How much we will pay and how

Basis of settlement

Event	Benefit
Death	R50 000
Permanent disablement	R50 000

5. What we will not pay

In addition to the general exclusions applying to all sections of the policy, we will not pay any claim:

(a) arising out of or attributable to intentional self-injury or suicide, including injuries suffered as a result of attempted suicide;

(b) arising out of or attributable to a voluntary worker being under the influence of alcohol or any drug, other than a drug prescribed by a qualified medical practitioner and taken according to instructions;

(c) arising directly or indirectly from a voluntary worker's pregnancy or childbirth;

(d) if the injured voluntary worker does not obtain medical assistance from a medical practitioner as soon as possible following the injury;

(e) for death of a voluntary worker if we have already paid that person for permanent disability;

(f) if the voluntary worker is under 16 or over 70 years of age.

SECTION 11: WATER HEATING SYSTEMS

if stated on the Policy Schedule to be included

1. What you are covered for

We will pay you the full replacement cost (including installation) of an existing water heating system, including valves and components (provided that it is not within the manufacturer's warranty period) for loss or damage directly or indirectly caused by or attributed to, or arising from bursting, rupturing, leaking, rust, decay, gradual deterioration, wear and tear, splitting, inherent vice or latent defects.

2. Meaning of water heating system

2.1 Geyser

Geyser means a domestic electric storage water heater including element, thermostat, safety valve, drain-cock, float valve where applicable, associated valves (pressure reducing and relief valves, vacuum breakers, isolating valve), a drip tray and piping – all installed in accordance with SANS 10254.

It does not include geyser timing devices, thermostatic devices or heat blankets.

2.2 Solar system

Solar system means a domestic solar water heating system including element, thermostat, safety valve, drain-cock, float valve where applicable, associated valves (pressure reducing and relief valves, vacuum breakers, isolating valve), a drip tray where required. Solar collectors include associated piping and insulation. The solar system must be installed in accordance with SANS 10106.

It does not include circulating pumps, deferential thermostatic controllers, tempering valve, anti freeze valves and devices and Photovoltaic panels/batteries.

2.3 Heat pump

Heat pump means a domestic air source water heating heat pump system including compressor, fan, electronic control device, evaporator and circulating pump. The heat pump system must be installed in accordance with SANS 1352.

2.4 Water heating components

Water heating components means geyser, heat pump and solar geyser components consisting of element, thermostat, safety valve, drain-cock, float valve where applicable.

It does not include twin-port drain-cock, inlet diffuser, combination TP valve or similar valves associated with a heat pump installation.

2.5 Water heating valves

Water heating valves means pressure reducing and relief valves, vacuum breakers and dedicated isolating valve.

It does not include circulating pumps, deferential thermostatic controllers, tempering valves, anti-freeze valves and devices and Photovoltaic panels/batteries.

3. Special terms and conditions applicable to settlement

Your water heating system will be covered provided that:

3.1 Installation conformance

Water heating systems must be approved by the South African Bureau of Standards (SABS) with a 5 year (or longer) manufacturer's warranty and must be operated and maintained according to the manufacturer's warranty.

All parts must comply with South African National Standards (SANS). Installations that do not conform to a SANS code of practice or a manufacturer's installation requirements will be upgraded to conform and such betterment costs will be for your account. We reserve the right to cash settle the claim in these instances.

(a) Geysers

- the geyser must be SANS 151 approved.

(b) Solar systems

- the solar system must be SANS 1307 approved;
- a PIRB (Plumbing Industry Registration Board) COC (Certificate of Conformance) must be issued for the installation of the solar system;
- a solar system that has failed as a result of frost or freeze conditions must be inherently designed against frost and freeze conditions.

(c) Heat pumps

- The heat pump must be SANS 151 approved;
- A PIRB (Plumbing Industry Registration Board) COC (Certificate of Conformance) must be issued for the installation of the heat pump.

3.2 Service providers

We have the right to require that an incident management service provider of our choice attend to the claim. If you ask to use a service provider of your choice, we will only reimburse you at the limits shown in the Policy Schedule, after we have inspected the installation for SANS compliance as applicable and inspected the salvage.

3.3 Salvage

The damaged water heating system that is replaced by our service provider or paid for on a cash-in-lieu settlement basis, becomes our property as salvage. No cash-in-lieu settlement will be made unless the damaged property is made available.

3.4 Warranty

(i) Products that are covered by a manufacturer's warranty are excluded from cover, except if the manufacturer is no longer in a position to honour the warranty;

(ii) Only the manufacturer's agent may work on a product under warranty.

4. What we will not pay

We will not pay for:

(a) loss or damage directly or indirectly caused by or contributed to or arising from faulty or defective design;

(b) loss or damage directly or indirectly caused by or contributed to or arising from the failure of and/or the deliberate withholding and/or lack of supplies of water, gas, electricity or fuel;

(c) damage to solar systems and the resultant damage to the building where the roof structure was not capable of bearing the additional weight of the installation;

(d) any cost associated with maintenance services required by the manufacturer of the geyser;

(e) the call out cost to attend to:

- ripple relays;
- faulty circuit breakers;
- tripped isolator switch;
- tripped earth leakage;
- tripped geyser mains.

SECTION 12: CLAIMS PREPARATION COSTS

1. What is insured?

We will pay the reasonable costs you incur in certifying or verifying any particulars or details we require to substantiate the amount of any valid claim under this policy.

2. How much we will pay

We will pay up to the limit as stated on the Policy Schedule.

3. What we will not pay

We will not pay any costs incurred without our written consent. We will also not pay your internal or overhead expenses or the cost of your time including that of a scheme executive or your employee.

SECTION 13: ELECTRONIC EQUIPMENT

if stated on the Policy Schedule to be included

1. What is insured?

We will cover your electronic equipment specified on the Policy Schedule.

Special meaning of words

BREAKDOWN means

the actual breaking, seizing, deformation or melting of any part of the your insured equipment, whilst it is in use and which is caused by mechanical, electrical or electronic defect within the insured equipment resulting in a sudden malfunction that requires repair or replacement before the insured equipment can resume normal operation.

COMPUTER VIRUS means

an executable programme or computer code segment that is self-replicating, requires a host programme or executable segment in which it can be contained, and which destroys or alters the host, programme or other computer code or data, causing undesired programme or computer system operation.

DAMAGE OR DAMAGED means

physical damage, destruction or loss and, in relation to data, software and media material includes corruption of data or software.

DATA means

any facts, information or records that are stored on media material.

EXPENDABLE ITEMS means

items and parts that are normally not re-used and require frequent or periodic replacement.

INSURED DAMAGE means

any sudden or unforeseen physical damage or destruction to any part of the insured equipment which requires repair or replacement before normal operations can be resumed.

INSURED EQUIPMENT means

(i) computers and peripheral equipment being electronic data processing equipment comprising a central processing unit with flexible programming ability, video display units, printers, hard disks, floppy disk drives, micro diskette drives including read/write heads, electro/mechanical motors and passive components as specified in the Policy Schedule; or

(ii) electronic equipment (excluding computers and peripheral equipment) as specified in the Policy Schedule;

(iii) portable equipment as defined.

MEDIA MATERIAL means

any optical discs or any magnetic medium that can be used to store data or software such as, but not limited to, tapes, discs or cards.

PORTABLE EQUIPMENT means

An electronic device that is capable of storing, processing and transmitting data which is small enough to be carried by hand i.e. laptops, iPads and other tablet devices.

SOFTWARE means

any instructions used to control the operation of a computer provided that these instructions are recorded on media material.

2. What you are insured against

When you insure your electronic equipment, as specified on the Policy Schedule under this section of the policy, you will be covered for the sudden or unforeseen physical damage or destruction of your electronic equipment occurring during the period of insurance up to the amount shown on your Policy Schedule.

Cover is subject to the terms, conditions, exclusions and limitations applying to this section, as well as those applying to all the sections of this policy.

3. What is not insured?

(a) loss of use of insured electronic equipment;

(b) consequential loss of any kind.

4. How much we will pay and how

4.1 Basis of settlement

If your insured equipment is damaged, we may choose:

- to replace the item of equipment with the nearest equivalent item available;
- to restore or repair the item of equipment to the condition it was in when new;
- to pay you the reasonable cost of replacement or repair; or
- any combination of these up to the sum(s) insured as stated the Policy Schedule.

4.2 Replacement value

We will pay the reasonable cost of repairing or replacing the item of insured equipment to a condition, which is substantially the same as when new, but not better or more extensive than when new. You, therefore, need to insure your electronic equipment for its total replacement value.

4.3 Average

The most we will pay is the sum insured as shown in the Policy Schedule. If the new replacement value of the insured equipment is more than the sum insured as shown in the Policy Schedule, we will not pay the full amount of your claim. We will calculate the difference between the new replacement value and sum insured and apply this proportionately to your claim. You will be responsible for the difference.

If there is more than one item of electronic equipment in the Policy Schedule, this condition will apply to each item separately.

4.4 Improvements

If an item of insured equipment that is damaged cannot be repaired or replaced without improving the output, capacity or efficiency of that item, then our payment will be limited to the cost of replacing that item, less an amount equal to the value of any such improvement(s).

5. Additional benefits above the sum(s) insured of electronic equipment

5.1 Cost of restoring data

We will pay the costs of restoring your data and software that are accidentally damaged together with the cost of replacing any damaged media material, up to an amount of R10 000 any one event.

Provided that we will not pay for damage:

(a) to data, software or media material caused by a failure or defect in the media material;

(b) to data that was generated, altered or processed more than five (5) working days prior to the date of the damage;

(c) caused by an error in processing data or error in the use of software;

(d) caused by erasure, deletion or overwriting of any data or software;

(e) caused by unauthorised access being gained to any operating system that is used by any part of the insured equipment via any communications system; or

(f) caused by the operation or presence of a computer virus that alters or erases data or software in a manner that is undesired by you.

5.2 Increase in cost of working

We will pay for costs that are in excess of your normal total computer operating costs up to an amount of R10 000 any one event.

Provided that:

(a) these costs are incurred as a result of damage to your insured equipment;

(b) these costs were reasonably incurred in order that your business may operate in a manner that is as close as possible to your normal business operations;

(c) we will not pay for:

  (i) any expenditure incurred after a period of 90 days following the damage; or

  (ii) any expenditure incurred during the first 24 hours immediately following the damage.

5.3 Removal of debris

We will pay the costs necessarily incurred for the removing, storing and disposing of debris following damage to the insured equipment, up to an amount not exceeding 15% of the total amount of your claim.

6. What we will not pay

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

6.1 damage caused directly or indirectly by or arising from:

(a) the cleaning, testing, altering or repairing of insured equipment;

(b) atmospheric conditions including, but not limited to, dryness, dampness and temperature, unless directly resulting from damage to an air-conditioning system used to control the atmosphere in which the insured equipment operates; and

(c) dishonest acts or misappropriation, of insured equipment by you or your employees or scheme executives;

(d) theft or attempted theft unless accompanied by forcible and violent entry into or exit from your premises;

(e) theft or attempted theft of portable equipment from an unattended motor vehicle unless such equipment is contained in a locked boot at the time of the theft;

(f) the application of any tool or process to the insured equipment in the course of maintenance, inspection, repair, alteration, modification or overhaul;

(g) the insured equipment being subject to testing or intentionally overloaded or operated in excess of its normal designed operating specification; or

(h) a deliberate act or omission or neglect on your part.

6.2 we will not pay for any legal liability which you incur following damage to the insured equipment.

6.3 we will not pay for damage directly caused by:

(a) a breakdown as defined;

(b) the presence or action of insects or vermin;

(c) gradually operating causes such as but not limited to wear and tear, mildew, corrosion, fading, rusting or other forms of oxidization;

(d) error or omission in design, plan or specification;

(e) failure of design;

(f) faulty materials or faulty workmanship;

(g) inherent vice or latent defect; or

(h) change in texture or finish.

Provided that we will pay for damage to insured equipment that is not otherwise excluded or limited that results from such damage.

6.4 we will not pay for repair or replacement of:

(a) glass or ceramic components other than when used as electrical insulation;

(b) the chipping or scratching of painted or polished surfaces or other aesthetic defects that do not affect the function of the insured equipment;

(c) fuses and other devices designed for safety or protection that are damaged through their normal operation;

(d) the wearing or wasting away of material caused by normal wear and tear, atmospheric conditions, mildew, fading, rust, corrosion or other forms of oxidization;

(e) any alterations, additions, cleaning, adjustments, inspections or maintenance of insured equipment;

(f) electrical and electronic glass bulbs, tubes, X-ray tubes, laser tubes, heating elements, lighting facilities and electrical contacts;

(g) expendable items such as, but not limited to, belts, batteries, photosensitive cartridges, print heads, tapes, ribbons;

(h) coin or card-operated machines;

(i) electronic equipment not owned by you.

SECTION 14: COMMERCIAL GLASS

if stated on the Policy Schedule to be included

1. What is insured?

We will cover internal and external glass forming part of a building in commercial use at your premises as stated on the Policy Schedule.

Special meaning of words

GLASS means

Unless specifically agreed and stated on the Policy Schedule, all glass, other than mirrors, is presumed to be plain plate/ float glass not exceeding 6mm in thickness, whether coated with a film or not, or 6,5mm laminated safety glass.

2. What you are insured against?

You are covered against accidental loss of or damage limited to the sum insured as shown in the Policy Schedule, including sign writing and treatment thereon.

3. How much we will pay and how

We will pay for the replacement of the damaged glass, sign writing and treatment up to the limit of the sum insured stated on the Policy Schedule.

If following an insured event, you are obliged in terms of National Building Regulations or similar legislation to replace damaged glass with glass of a superior quality, then we shall be liable for the increased cost of such replacement including the frames there for, provided that if the cost of so replacing the whole of the insured property (inclusive of other items insured) is greater than the sum insured thereon at the time of the loss or damage, then you shall be considered as being your own insurer for the difference and shall bear a ratable proportion of the loss or damage accordingly.

We will also pay the following costs and expenses up to a maximum of R5 000 for:

(i) the cost of boarding up as may be reasonably necessary;

(ii) damage to shop fronts, frames, burglar alarm strips, wires and vibrators;

(iii) the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the damaged glass;

(iv) the cost of employment of a security service or additional watchman, prior to replacement of the glass or boarding up or the repair of the burglar alarm system, unless payable under any other insurance that you may have arranged.

4. Special conditions applicable to this section

Average

Should you insure the glass including any sign writing and treatment, for less than its replacement value, average will apply and we will only pay you proportionately.

5. What we will not pay

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

(a) loss or damage otherwise insured;

(b) glass forming part of stock in trade;

(c) glass which, at inception of this insurance, is cracked or broken unless cover has been agreed by us;

(d) defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof.

SECTION 15: GREENS AND IRRIGATION SYSTEMS

if stated on the Policy Schedule to be included

1. What is insured?

Any part of your common area designated as a bowling green(s) and/or installed with an irrigation system owned by and under your control at the insured location.

2. What you are insured against?

(a) When you insure your bowling green(s) under this section you will be covered for sudden and unforeseen physical loss or damage that occurs to the green during the period of insurance.

(b) When you insure your irrigation system under this policy you will be covered for accidental physical loss or damage that occurs to the installation during the period of insurance.

3. Additional benefits within the sum insured

3.1 Architects' and other professional fees

The reasonable cost of architects, engineers, surveyors including all incidental costs, legal and other fees necessarily incurred in the reinstatement or replacement of your damaged property, up to a limit of 15% of the sum insured of the affected property.

There is no cover for costs, fees and salaries for preparing of any claims under this additional benefit.

3.2 Failure of water supply extension

We will insure you for damage to your bowling green(s) caused by total or partial failure of the supply of water to the premises as stated in the Policy Schedule, provided that this additional benefit does not cover loss resulting from damage directly or indirectly caused by:

(a) drought;

(b) the deliberate withholding of water;

(c) mechanical or electrical breakdown unless such total or partial failure extends beyond 24 hours from commencement thereof.

3.3 Fertilizers, chemicals and/or contaminated water

We will insure you for damage to the whole or part of your bowling green(s) at the property as stated on the Policy Schedule, caused by fertilizers, chemicals and/or contaminated water provided that the total amount recoverable under any item for such damage shall not exceed 50% of the sum insured for the bowling green(s) affected.

3.4 Fire extinguishing charges

We will pay any costs relating to the extinguishing or fighting of fire at your property provided that you are legally liable for these costs and the property was in danger from the fire.

4. How much we will pay and how

4.1 Limit of indemnity

We will pay up to the sum insured, as stated on the Policy Schedule, for the sudden and unforeseen physical loss or damage to your bowling green(s).

We will pay up to the sum insured, as stated on the Policy Schedule, for accidental damage to your irrigation system.

4.2 Basis of settlement

In the event of a claim, we will at our option, repair, replace or reinstate your bowling green(s) and/or irrigation system, to a condition substantially the same as but not better or more extensive than when new.

4.3 Average

Should you insure the bowling green(s) or irrigation system for an amount less than its replacement value, average will apply and we will only pay you proportionately. E.g. if the correct value for greens is R10 000 000 and you insure them for R5 000 000, you will be compensated for 50% of your loss.

4.4 Reinstatement, replacement or repair

When the bowling green(s) is damage in part only, our liability will not exceed the cost of repairs. In those cases where the structural materials of the damaged bowling green(s) are not readily available we will use the nearest equivalent available to the original materials.

The work of rebuilding, replacing, repairing, restoring or reinstating the bowling green(s), as the case may be, must commence within six (6) months of the loss or damage occurring (or any other period which we agree with you), failing which we shall not be liable to make any payment beyond the amount which would have been payable had the delay not occurred and you may have to pay any increase in the cost.

5. What we will not pay

We will not pay for:

5.1 wear and tear and gradual deterioration.

5.2 damage caused or aggravated by:

(a) erosion, subsidence, landslide, mudslide, or any other earth movement or collapse unless the damage arises out of an earthquake or seismological disturbance, explosion or physical impact by aircraft;

(b) the actions of birds, primates, vermin, termites, moths or other pests;

(c) your failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimization of any damage.

5.3 detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process.

5.4 loss or damage for which a supplier, contractor or repairer is responsible either by-law or under contract.

5.5 loss of or damage to your property caused by:

(a) any fraudulent scheme, trick, device or false pretense practiced on you (or any person having custody of the insured property) or fraud or dishonesty of any of your principals or agents;

(b) overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus;

(c) altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;

(d) fault or defect in its design, formula, specification, drawing, plan, materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, change in colour, flavour, texture or finish or its own wear and tear;

(e) inherent vice, flumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light.

5.6 (a) loss of or damage from chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from their container;

(b) loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes; failure of steam, gas, electricity, fuel or refrigerant.

SECTION 16: MOTOR
if stated on the Policy Schedule to be included

1. What is insured?

Loss of or damage to any vehicle described in the Policy Schedule and its accessories.

Your vehicle is covered in South Africa, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland and Zimbabwe.

Special meaning of words

VEHICLE means

a bus, car, light delivery van, motorcycle or trailer and any other item specified on the Policy Schedule.

BUS means

vehicle designed to seat 11 persons or more (including the driver).

CAR means

a private motor car (including station wagons and minibuses) designed to seat 10 persons or less (including the driver), and not exceeding 3,500kg in gross vehicle mass.

LIGHT DELIVERY VEHICLE means

a vehicle designed for the purpose of carrying goods (including a panel van or double-cab) not exceeding 3,500 kg in gross vehicle mass.

MOTORCYCLE means

a motorcycle, scooter, scrambler or quad bike.

TRAILER means

a vehicle which is not self-propelled, and which is designed or adapted to be towed by a self-propelled vehicle.

DAMAGE means

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

2. Who is insured?

The following drivers are covered:

(a) you as the policyholder;

(b) your scheme executives when using the vehicle in the course of their duties;

(c) your employees when using the vehicle in the course and scope of their employment;

(d) anyone who drives the vehicle with your permission and who does not have similar cover elsewhere.

3. What you are insured against?

You can insure your vehicle for any one of the following shown on the Policy Schedule:

(i) Comprehensive cover;

(ii) Third party, fire and theft;

(iii) Third party liability only.

3.1 Comprehensive cover

You are covered for any damage to your own vehicle as well as the amount which you become legally liable to pay to a third party if the liability relates to the vehicle.

The accident must involve:

(a) the insured vehicle; or

(b) any vehicle being towed by the insured vehicle.

3.2 Third party, fire and theft

You are covered for damage to your own vehicle caused by fire as well as damage to other people's property. Your vehicle is also covered for theft and hijack. Accidental damage to your own vehicle is not covered.

You will also be covered for the amount which you become legally liable to pay to a third party if the liability relates to your vehicle.

3.3 Third party liability

You are covered against legal liability following a vehicle accident which causes death of or bodily injury to or illness of any person or damage to other people's property. This includes legal costs which someone else can recover from you and which we agree to pay in order to settle or defend a claim against you. The maximum that you can claim for is shown on your Policy Schedule.

4. What is not insured?

(a) vehicles used for private purposes unless used with your authority;

(b) we do not insure the following vehicles:

- agricultural other than vehicles used for the maintenance of your common area;
- construction and material handling vehicles and vehicles transporting hazardous goods,
- heavy commercial vehicles.

5. Your responsibilities

In order to have continuous cover and a valid claim, you need to adhere to the following:

5.1 Prevent loss or damage

Take reasonable, necessary steps to prevent or minimize loss, damage, injury or liability.

5.2 Repair and replacement

Any repairs or replacements must be completed within 6 months of your claim being settled.

5.3 Driver's responsibilities

Anyone driving the vehicle must adhere to the terms and conditions of this policy.

6. How much we will pay and how

6.1 Comprehensive cover

We will pay for the loss of or damage to the vehicle described in the Policy Schedule and its accessories and spare parts whilst thereon. The maximum amount we will pay in respect of such loss or damage is the sum insured as stated in the Policy Schedule, but shall not exceed the reasonable market value of your vehicle and its accessories and spare parts at the time of such loss or damage, less any applicable excesses. The salvage becomes our property.

We will, at our own option, repair, reinstate or replace such vehicle and any part thereof and/or its accessories and spare parts, or we may pay in cash the amount of the loss or damage.

If the insured vehicle is financed, we will first pay the outstanding settlement amount to the finance company up to the maximum amount, excluding:

(a) any early settlement penalties;

(b) additional finance charges;

(c) any arrear installments and interest.

We will pay you the difference if the settlement amount is less than the insured value, less the applicable excess and the charges stated above.

If the vehicle is either stolen or written-off, we will pay the insured value, according to the values determined in "The Auto Dealers' Guide.

Refer to 6.3 for what how much we will pay and how in respect of Third party liability.

6.2 Third party, fire and theft

We will pay for loss or damage to your vehicle caused by fire and/or theft. We will at our option repair the vehicle at a repairer of our choice or settle in cash. If we decide that the vehicle is a total loss, we will pay you the sum insured as stated in the Policy Schedule, but shall not exceed the reasonable market value of your vehicle and its accessories and spare parts less any applicable excesses. The salvage becomes our property.

We will also pay any person who is driving or using the insured vehicle on your instruction, or with your permission.

Refer to 6.3 for what how much we will pay and how in respect of Third party liability.

6.3 Third party liability

We will pay the amount you may have to pay for being legally liable for a person's death or bodily injury, including costs and expense.

We will also pay the amount you may have to pay for being legally liable for damage to property, arising as a result of an accident caused by or in connection with the vehicle.

In providing this cover, we will pay up to R2 500 000 inclusive of legal costs in relation to any one event arising as a result of an accident caused by or in connection with your vehicle.

7. Additional benefits applicable to Comprehensive and Third party fire and Theft cover

7.1 Towing and storage

We will pay the reasonable costs to store or to tow your vehicle to the nearest repairer, following an incident for which you can claim.

7.2 Wreckage removal

We will pay the costs incurred for the removal of the wreckage, following an incident for which you can claim, up to an amount not exceeding R5 000.

8. Additional cover and benefits

8.1 Loss of keys

We will pay the cost of replacing locks, keys and remote controls or the reprogramming of the vehicle security system, up to an amount not exceeding R5 000.

8.2 Parking facilities

We will pay up to an amount not exceeding R1 000 000 for accidents caused by or through or in connection with the moving of any vehicle (not owned, borrowed by, hired or leased to you) by any person in your employment or acting on your behalf, provided always that such vehicle was being moved

- with the authority of any tenant, customer or visitor of yours; or
- in connection with your parking arrangements; or
- to facilitate the carrying out of your business;

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

For the purposes of this additional benefit, such vehicle (and its contents) shall not be deemed to be held in your trust or in your custody or control.

8.3 Fire extinguishing charges

We will pay the costs, for which you are legally liable, relating to the extinguishing or fighting of fire to your vehicle provided that your vehicle was in danger from such fire, up to an amount not exceeding R5 000.

8.4 Passenger liability

We will cover you against legal liability following an accident anywhere in South Africa involving your vehicle, including getting on or off the vehicle, which causes death or bodily injury to passengers. This includes legal costs which someone else can recover from you and which we agree to pay in order to settle or defend a claim against you. The maximum amount that you can claim for per incident, irrespective of the number of passengers, is R1 000 000.

8.5 Factory fitted sound equipment and accessories

We will pay any standard factory fitted sound equipment and vehicle accessories on your vehicle and which is included in the value of the vehicle.

8.6 Loss of use

We will compensate you for loss of use of your vehicle until your claim is finalised, for a maximum period of 30 days, where your vehicle:

(i) is damaged and being repaired;

(ii) is damaged and not drivable;

(iii) is stolen or hijacked.

The claim is finalised once the vehicle claim's payment is made to you in the event of a total loss or the vehicle is returned once repaired for partial losses. The cover only start once the claim is reported.

The maximum daily amount for which you can claim is R500.

9. What we will not pay

In addition to the general exclusions applying to all sections of the policy, we will not pay any claim for:

9.1 consequential loss other than as covered under 8.6, depreciation in value whether arising from repairs following an insured event or otherwise, wear and tear, mechanical, electronic or electrical breakdowns, failures or breakages;

9.2 damage to tyres by application of brakes or by road punctures, cuts or bursts;

9.3 damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities;

9.4 detention, confiscation or requisition by customs or other officials or authorities;

9.5 any loss or damage associated with your vehicle, operating on a public road, and not having a valid roadworthy certificate and/or not being in a roadworthy condition and/or not being legally permitted to operate on a public road, at the time of such loss;

9.6 loss or damage or injury incurred while the vehicle is being driven by you, your employee or scheme executive, while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself);

9.7 loss or damage or injury or liability incurred while the vehicle is being driven by you, your employee or scheme executive, while not licensed to drive such vehicle. Provided that any driver shall be deemed to be licensed to drive the vehicle if he is complying with the licensing laws relating to any of the territories within the territorial limits of this cover section or if non-compliance with any licensing law as solely because of failure to renew any license subject to periodic renewal or if a license is not required by-law while such driver is learning to drive and is complying with the laws relating to learners;

9.8 death or bodily injury suffered by you or any members of your household or any of your employees, any person in or on a vehicle that is being towed and any passenger in the vehicle who is not in a permanently enclosed compartment designed by the original vehicle manufacturer to carry passengers other than purpose built game viewing vehicles;

9.9 where liability cover is provided by any compulsory motor vehicle insurance Act, The Road Accident Fund Act, the Occupational Health and Safety Act, the Compensation for Occupational Injuries and Diseases Act and any other insurance contract;

9.10 where your vehicle claim was rejected: any incident which causes death or bodily injury to fare-paying passengers and where the claim for loss of or damage to the vehicle itself is not covered;

9.11 emotional shock;

9.12 loss or damage to your vehicle caused intentionally by you, the driver, any of your employees and/or scheme executives or any resident at your premises which occurs with your knowledge or consent.

SECTION 17: BUSINESS INTERRUPTION

if stated on the Policy Schedule to be included

1. What is insured?

We will cover your loss of income arising from your business being interrupted directly by damage for which you are covered by us (or would have been but for the application of the excess) under:

- Section 1: Buildings
- Section 2: Common area contents
- Section 6: Machinery breakdown

and occurs during the period of insurance.

Special meaning of words

DAMAGE means

accidental physical damage, destruction or loss.

INCOME means

(i) income received from the renting or leasing of any part of the insured premises including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement; or

(ii) income from the operations of your business located at the insured premises, less:

- working expenses for freight, packaging, bad debts, and the purchase of goods, materials, components, or stock;
- any other additional uninsured working expenses shown in the Policy Schedule; and
- payroll if this is shown in the Policy Schedule.

INDEMNITY PERIOD means

the period that starts on the date of the damage and ends not later than the number of weeks or months stated in the Policy Schedule after the date of the damage during which the results of your business are affected as a consequence of the damage.

LOSS OF INCOME means

loss or reduction of your income that occurs during the indemnity period.

PAYROLL means

all gross remunerations including, but not limited to, salaries, wages, directors fees, payroll tax, fringe benefit tax, bonuses, holiday or sick pay, UIF, pension fund contributions.

RATE OF PAYROLL means

the rate of payroll to income during the financial year immediately before the date of the damage.

SEVERANCE PAY means

the expenditure as you are obligated to pay under Labour Law or have agreed to pay in lieu of notice to employees whose services are terminated during the indemnity period as a direct result of the damage.

2. What is not insured?

(a) This policy section does not cover you if, during the period of insurance, the following happen:

(i) your business is wound up or carried on by a liquidator or judicial manager;

(ii) you dispose of or permanently discontinue your business or part of it;

(b) If during the indemnity period you permanently cease to trade for any reason, then the indemnity period will end on the day you permanently cease to trade unless we agree in writing to continue this period.

3. How much we will pay and how

3.1 Loss of income

Your loss of income will be calculated by subtracting the income earned during the indemnity period from the income you would have earned during the indemnity period had the damage not occurred.

Provided that the income you would have earned during the indemnity period had the damage not occurred:

(a) Will be calculated by reference to the income for:

(i) a period of the same duration as the indemnity period that starts a year prior to the date of the damage; or

(ii) a period of your normal business operations that corresponds most closely to the indemnity period if your business has operated for less than a year at the start of the indemnity period; and

(b) Will be adjusted to take into account any:

(i) trends of your business and other influences that would vary the income;

(ii) changes to how stock, materials, finished goods or partially finished goods are used, purchased or sold including salvage sales of stock following the damage; and

(iii) savings made during the indemnity period that reduce the cost of running your business.

3.2 Additional expenditure

We will also pay for additional expenditure necessarily incurred for the sole purpose of reducing loss of income and/or resuming and/or maintaining your normal business operations or services.

Provided that this expenditure is limited to the amount of income that would otherwise be lost had the additional expenditure not been incurred.

3.3 Payroll

When payroll is specifically covered and a sum insured is shown on the Policy Schedule, we will pay the sum produced by applying the rate of payroll to the shortage of income during the indemnity period less any savings occurring during the indemnity period in consequence of the damage in the amount of payroll paid.

We will also pay any amount paid by you as severance pay.

We will not however, pay more than the sum insured shown in the Policy Schedule representing the percentage of payroll costs insured by you to apply during the indemnity period.

3.4 Accumulated stock

In calculating your claim, we will take into account and make an equitable allowance if any shortage in income, due to the damage, is post posed by reason of the income being temporarily maintained from accumulated stock of finished goods.

3.5 Underinsurance

3.5.1 Income

If the annual sum insured for income is less than 80% of the income for the year immediately prior to the date of the damage, then we will pay a proportion of the loss of income.

The proportion that we will pay will be the same as the proportion that the annual sum insured for income bears to 80% of the income for the year immediately prior to the date of the damage.

3.5.2 Payroll

If the annual sum insured for payroll is less than 80% of the payroll paid during the year immediately prior to the date of the damage, then we will only pay a proportion of the payroll costs incurred during the indemnity period.

The proportion that we will pay will be the same as the proportion that the annual sum insured for payroll bears to 80% of the payroll paid during the year immediately prior to the date of the damage.

Provided that 3.5.1 and 3.5.2 will not apply if your claim is less than 10% of the sum insured.

4. Additional benefits within the sum(s) insured

Any limits stated under the additional benefits are within the sum insured for income, they are not additional to the sum insured for income. The total sum insured will be reduced by any payment made or due to be made under any of these benefits following the damage.

4.1 Public utilities

We will treat damage to property at electricity generating stations, sub-stations or transmission networks, gas-works including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines of an authority empowered by-law to supply water, gas or electricity for consumption by you and the telecommunications installation of any public authority which is empowered by-law to supply a telecommunications facility to you, as being damage for the purposes of this policy section, if the following apply:

(i) the damage would have been covered under Section 1: Buildings of the policy if such damage had been sustained at your premises as insured under that policy section;

(ii) the damage results in hindering or stopping the supply of electricity, gas, water, sewage or telecommunications to your insured premises and results in the interruption of or interference with your business.

4.2 Prevention of access

We will treat damage to property within a 10km radius of your premises as being damage for the purposes of this policy section if the following apply:

(i) the damage would have been covered under Section 1: Buildings of the policy if such damage had been sustained at your premises as insured under that policy section;

(ii) the damage prevents or hinders the use of or access to your insured premises and results in the interruption of or interference with your business.

4.3 Suppliers

We will treat damage to property at any suppliers, manufacturers or processors of component goods, materials or services, excluding any public supplier of electricity, gas or water, which supplies your business directly as being damage for the purposes of this policy section, if the following apply:

(i) the damage would have been covered under Section 1: Buildings of the policy if such damage had been sustained at your premises as insured under that policy section;

(ii) the damage results in the interruption or interference with your business.

5. Optional cover applicable to this section (if stated in the policy schedule to be included)

5.1 Additional increase in cost of working

We will cover you for the additional expenditure reasonably incurred by you during the indemnity period for all costs not otherwise recoverable and that are necessarily incurred by you in an attempt to reduce a loss of income and/or for the purpose of maintaining the normal operations of your business following damage covered by this policy section.

This amount is additional to the 'Additional expenditure' costs under Item 3.2 of this section.

SECTION 18: CYBER LIABILITY
if stated on the Policy Schedule to be included

1. What is insured?

Your computer system or a Cloud Computing Provider's System you utilise, being directly affected by a hacking attack or security breach.

Special meaning of words

BREACH NOTIFICATION means

Any obligation you have to notify any third party of an actual or suspected Security Breach or Privacy Breach.

CLOUD COMPUTING PROVIDER means

A third party that provides you with hosted computing services accessed across the internet or dedicated network links including infrastructure, platform, file storage and application level services.

COMPUTER SYSTEMS means

Interconnected electronic, wireless, web or similar systems and operating systems wheresoever hosted including Cloud Computing Providers (including all hardware, software and physical components thereof and, for the sake of clarity, storage or memory devices such as external drives, disks in whatever form, sticks, tapes, servers or cells) used to process data, control the functions of electronically controllable equipment or provide information in analogue, digital, electronic, wireless, audio, video, photographic film or paper format, including but not limited to associated input and output devices, mobile devices, networking equipment and electronic backup facilities.

COSTS AND EXPENSES means

Costs, charges and expenses incurred by you with our consent or incurred by us on your behalf (including attorney fees and expenses, the cost of legal proceedings, security for costs of appeal, the cost of bonds to release property being used to secure a legal obligation, but only for bond amounts within the indemnity limits that apply and costs taxed against you in a suit)

(i) in the defence or settlement of any specific claim made against you and indemnifiable under this section of the policy;

(ii) not exceeding R500 000 each occurrence and aggregated annually in producing and certifying any particulars or details required by us;

provided that our liability for such costs, charges and expenses shall not exceed the Limits of indemnity as stated on the Policy Schedule.

Costs and expenses do not include salaries and expenses of our employees, including employed attorneys nor salaries and expenses of your employees.

PROPERTY DAMAGE means

Loss of or damage to tangible property, loss of use of tangible property which has not been lost or damaged, plagiarism, passing off, idea misappropriation, infringement of design, trademark, trade name, patent, copyright, title or slogan.

DAMAGE means

A monetary judgment, award, or settlement including punitive damages to the extent insurable under the law pursuant to which this policy is construed. To the extent insurable by-law damages shall include civil fines, penalties for a privacy breach and security breach or violation of privacy regulation.

DATA means

Any machine readable information, facts or programs, digital or analogue audio or video information (but not recordings for education or entertainment) or other decipherable information stored as or on, created or used on or transmitted to or from Computer Systems or cloud computing providers or any other media.

DEDUCTIBLE means

The sum stated on the Policy Schedule being the first amount payable by you for all damages and costs and expenses in respect of each occurrence before we shall be liable to make any payment under this section of the policy. Deductibles shall not be cumulative and where an occurrence could result in the application of more than one deductible, only the higher one shall apply.

DENIAL OF SERVICE ATTACK means

Unauthorised or unexpected interference or deliberate attack on your computer system which restricts or prevents access to such system by persons authorised to access same.

DOWNSTREAM ATTACK means

(i) the unauthorised use of or unauthorised access to the computer system of a third party provided such is attained through your computer system.

(ii) the participation by your computer system in a denial of service attack directed against the computer system of a third party.

(iii) the transmission of malicious code from your computer system to the computer system of a third party.

HACKING ATTACK means

Any malicious or unauthorised electronic attack including but not limited to any fraudulent electronic signature, brute force attack, phishing or denial of service attack, that has been initiated by any employee or by any other person and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of computer systems.

INJURY means

Death, bodily injury or mental injury, sickness or disease and, where resulting from such injuries only, mental anguish, mental injury, shock, humiliation, or emotional distress.

MALICIOUS CODE means

Software designed to infiltrate or damage a computer system by a variety of forms without the permission or knowledge of the user that can reproduce itself including but not limited to a virus.

NORTH AMERICA means

The United States of America (being the fifty states of the union plus the District of Columbia), Canada and any territory operating under the laws of the afore-mentioned territories.

NOTIFICATION EXPENSES means

Those reasonable and necessary expenses you incur to comply with governmental privacy legislation or approved by us with recommendation from outside counsel to provide notification in the event of a Privacy Breach or Security Breach, including but not limited to reasonable legal expenses, communication expenses through mail, call centre and web site and customer support expenses including credit monitoring and identity theft education and assistance.

OCCURRENCE means

An event or a series of events or a continuous or repeated exposure to a similar set of conditions any one or all of which have a specific and common originating cause or source which unexpectedly or unintentionally result or may reasonably be expected to result in liability as insured in terms of this section of the policy and shall be deemed to be one occurrence and, irrespective of the duration thereof, as having occurred when either the first such event or the first of a series of such events happened or when the set of conditions first manifested.

When a hacking attack, malicious code introduction or security breach cannot be fixed or attributed to a particular date, for the purposes of this section it will be deemed to have occurred when you first had any knowledge thereof.

Third party financial loss shall be deemed to have manifested when first evidenced to the claimant even if the cause was unknown at that time.

PERSONAL INFORMATION means

Information relating to an identifiable, living, natural person including credit card and personal healthcare information.

PRIVACY BREACH means

A statutory, regulatory or common law breach of confidentiality, infringement or violation of any right to privacy which results in harm to your employees or to third parties, including but not limited to unauthorised access to or collection, use or disclosure of personal information, breach of your privacy policy, breach of a persons' right or publicity or intrusion upon a person's seclusion or the portrayal of a person in a false light.

SECURITY BREACH means

An actual or suspected breach of data security where information is unintentionally revealed whether by electronic means or in paper format or your failure to protect against a downstream attack, unauthorised access to, unauthorised use of or theft of data from or denial of service attack directed against or transmission of malicious code to your computer system. security breach includes physical theft of your computer system or any part thereof.

SUBSIDIARY means

Subsidiary means any company which you control through:

(i) holding a majority of the voting rights; or

(ii) the right to appoint or remove a majority of its board of directors; or

(iii) controlling alone or pursuant to a written agreement with other shareholders or members, a majority of the voting rights therein.

THEFT OF DATA means

The unauthorised taking, misuse, modification, deletion, corruption, destruction or disclosure of data or information.

TRADE SECRET means

A formula, practice, process, design, instrument, pattern or compilation of information which is not generally known or reasonably ascertainable to the public (and is the subject of reasonable efforts to maintain its secrecy) by which a business can derive an economic advantage over competitors or customers specifically from its not being generally known. For the purpose of this section of the policy, trade secret shall include "confidential information" or "classified information".

UNAUTHORISED USE means

The use of a computer system by an unauthorised person or persons or an authorised person in an unauthorised manner, including false communications or social engineering techniques designed to trick the user into surrendering personal information (such as "phishing" or "pharming").

UNAUTHORISED ACCESS means

The gaining of access to a computer system by an unauthorised person or persons or an authorised person in an unauthorised manner.

VIRUS means

Software code that possesses the ability to create and spread replicas of itself within or that may attach to other programs or operating systems and that damages, corrupts, overloads, circumvents, changes or destroys data or degrades the functionality of a computer system and includes within the context of computer systems a 'worm', 'logic bomb', 'spyware' and 'Trojan horse'.

2. What you are insured against?

We will indemnify you for claims brought against you on or after the retroactive date as stated on the Policy Schedule and occurring or first made during the period of insurance and notified to us in writing in accordance with the provisions of Item 3: Your responsibilities of this section.

1. Against your legal liability to pay damages for third party financial loss arising

1.1 Hacking attack

directly from a hacking attack or malicious code that has emanated from orpassed through your computer system(s) or a Cloud Computing Provider's systems.

1.2 Security breach

directly from a Security Breach which results in:

(a) an actual or suspected Privacy Breach;

(b) your failure to adequately warn affected individuals or provide a timely Breach Notification;

(c) a breach of any part of your website's privacy statement;

(d) a breach of your data or data for which you are responsible.

2. Notification expenses

For notification expenses you have incurred arising out of a Security Breach that results or may result from any error, omission or breach of duty you or others acting on your behalf and for whom you are legally responsible, have committed or allegedly committed.

3. Your responsibilities

(a) you must give notice to us as soon as reasonably practicable (not exceeding 30 days) of any claim made against you or upon receiving a written demand, service or suit or institution of legal proceedings alleging an occurrence or on becoming aware of the intention of any person to take any such action against you and shall immediately forward to us any such writ, summons or other legal process.

(b) you shall furnish us with all information available in respect of such writ, summons or legal process and we shall have the right to appoint adjusters, assessors or surveyors and to control all negotiations, adjustments and settlements in connection with such claim.

4. How much we will pay and how

The total amount we will pay, inclusive of all costs and expenses, in respect of all claims under this section, shall not exceed the limit of indemnity as stated on the Policy Schedule during any one period of insurance starting with the inception or renewal date whichever is applicable, regardless of the number of claims made or reported.

Should the limit of indemnity be altered during the period of insurance the limit of indemnity which applied when you first became aware of the event will apply to all claims made or deemed to have been made or arising out of such event.

Where more than one period of insurance of this policy, following its renewal or replacement may apply to an occurrence, our liability will be limited to the maximum limit of indemnity for any period of insurance starting with the inception or renewal date whichever is applicable and shall not aggregate from one period of insurance to the next.

Any sum paid by us in the discharge or settlement of any threat or intimation of a claim or in relation to any circumstance which might give rise to a claim, shall be deemed to be a payment made in the discharge or settlement of a claim.

If you refuse to consent to any settlement recommended by us and choose to continue with any legal proceedings in connection therewith, our liability for the loss will not exceed the amount for which the claim could have been settled including the costs and expenses incurred up to the date of such refusal, provided that the limit of indemnity is not exceeded.

5. What we will not pay

In addition to the general exclusions applying to all sections of the policy, we will not pay claims:

(a) arising from occurrences

  (i) known to you or your employees and/or scheme executives which could reasonably have been foreseen at commencement of the period of insurance to give rise to a claim against you; nor

  (ii) advised to insurers of any other policy; nor

  (iii) that happened or are alleged to have happened prior to the applicable retroactive date stated on the Policy Schedule.

(b) made against you during the period of insurance arising from occurrences advised to the insurers of any other policy.

(c) liability arising out of the deliberate, conscious and intentional disregard by you, your employees and/or scheme executives of the need to take reasonable precaution to prevent any event or circumstance which may give rise to a claim.

(d) fines, penalties (including without reservation, administration penalties, demurrage, dead-freight), punitive, exemplary, aggravated or vindictive damages or the multiplied portion of multiplied damages.

(e) any amounts including damages, claimants' costs and expenses and costs and expenses falling within the deductible.

(f) professional services and/or duties, advice, remedial or other treatment.

(g) liability arising out of the ownership, hire, leasing or operation of any airport, airstrip or helicopter pad by or on your behalf.

(h) any claim or series of claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competitions Act No. 89 of 1998 as amended or any similar provision, act or regulation as may be in force in any jurisdiction or country in which your liability arose.

(i) liability or loss arising out of injury or property damage.

(j) liability arising directly or indirectly, resulting from or in any way involving you in the capacity as a trustee, fiduciary under law or administrator of any pension or welfare plan, profit sharing, share option, share incentive scheme or trust established in whole or in part for the benefit of you, your employees and/or scheme executives.

(k) any claim made against you by any holding, controlled or subsidiary company or by any person or entity having a financial or executive interest in your operations unless emanating directly from a third party.

(l) your provision of any services or access to sites relating to sweepstakes, gambling activities or lotteries, prizes, awards, coupons, pornography; the sale or provision of prohibited, restricted or regulated items including, but not limited to, alcoholic beverages, tobacco or drugs.

(m) for your actual or alleged inducing the infringement of any patent, trademark or trade secret.

(n) liability to a merchant service provider including any credit card company or bank wholly or partially reversing or preventing a payment transaction.

(o) any actual or alleged discrimination of any kind including, but not limited to, age, colour, race, gender, creed, national origin, marital status, sexual preferences, disability or pregnancy.

SECTION 19: GROUP PERSONAL ACCIDENT

if stated on the Policy Schedule to be included

1. What is insured

Accidental bodily injury sustained by any of your Insured Persons, as stated on the Policy Schedule, which occurs at an identifiable time and place and which injury, directly and independently of all other causes, results within twenty-four calendar months, in death, disability or medical expenses being incurred as specified under Item 2: How much we will pay and how.

Special meaning of words and phrases

INSURED PERSON means

Employee being any person whilst employed under a contract of service with you BUT excluding managing agents and/or their employees or appointed contractors or their sub-contractors.

SCHEME EXECUTIVE being any natural person who is a

- Trustee appointed by the Body Corporate but excluding an executive managing agent appointed by the Body Corporate;
- Director and/or prescribed officer appointed by any Home Owner's Association;
- Director and/or members appointed by Shareblock Investors;
- Committee member appointed by the management committee of a retirement scheme.

ACCIDENT/ACCIDENTAL means

any sudden, unexpected, unusual, specific, visible, violent and fortuitous event that occurs at an identifiable time and place which directly and independently of any other cause results in bodily injury as defined. Accident/Accidental shall also mean "Detention" as herein defined.

ACQUIRED IMMUNE DEFICIENCY SYNDROME OR AIDS

has the meaning assigned to it by the World Health Organisation including opportunistic infection, malignant neoplasm, Human Immune Deficiency Virus (HIV), Encephalopathy (Dementia), HIV Wasting Syndrome or any disease or illness in the presence of a seropositive test for HIV.

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.

ACT OF VIOLENCE means

an assault, robbery, rape kidnapping or armed car hijack.

ANNUAL EARNINGS means

the annual rate of wage, salary, fixed annual bonus and cost of living allowance being paid or allowed by you to the Insured Person at the time of accidental bodily injury, plus overtime, house rents, food allowances, commissions and other considerations of constant character earned by the Insured Person from his employment with you or allowed by you to the Insured Person, during the 12 months immediately preceding the date of accidental bodily injury. If the Insured Person has not been in your continuous employment for 12 calendar months, the amount to be added for overtime, house rents, food allowances, commissions and other considerations of constant character shall be the average monthly amount earned during the period of employment times 12.

AVERAGE WEEKLY EARNINGS means

one fifty-second part of annual earnings.

BODILY INJURY means

bodily injury caused by an accident and shall include bodily injury attributable to or caused by starvation, thirst and exposure to the elements as a result of an accidental occurrence.

DEDUCTIBLE means

the amount stated on the Policy Schedule which must be borne by you for your own account when an accident occurs.

DETENTION means

Detention under duress of an Insured Person other than for reasons of:

(a) engaging (or being alleged that Insured Person is engaging) in any political activity against the de jure or de facto Government of the country where detention occurs;

(b) failure to possess requisite visas, work permits or associated documents;

(c) criminal activity (or any allegation thereof);

(d) debt, insolvency, commercial failure, failure to provide bond or security or other financial loss.

EVENT means

all accidental bodily injury sustained by any or all Insured Persons directly occasioned by one specific common cause, such common cause having both a duration not exceeding 72 hours and a geographic radius not exceeding 100 kilometres.

HOSPITAL means

a legally constituted establishment operated pursuant to Regulations in terms of the National Health Act and having facilities for the admission, confinement and treatment of patients under supervision of qualified medical practitioners for periods in excess of 48 hours. For the sake of clarity the term Hospital shall neither include institutions commonly referred to as "health-hydros", "dayclinics", "nature cure clinics", rehabilitation clinics", "hospices", "nursing homes", "frail care centres", "convalescent homes" and the like, nor mental institutions or institutions for the treatment of psychiatric diseases.

MEDICAL EXPENSES means

all costs and expenses not recoverable from any other source necessarily incurred, within 24 months of the date of the accident, for artificial aids, prostheses, medical, surgical, dental, optical, nursing home or hospital treatment and supplies as a result of accidental bodily injury.

QUADRIPLEGIA means

permanent and total paralysis of all limbs.

TEMPORARY TOTAL DISABILITY means

Incapacity from following usual business or occupation.

TEMPORARY PARTIAL DISABILITY means

incapacity from attending to a substantial part of usual business or occupation.

TRAUMATIC EVENT means

an accidental experience that causes physical, emotional or psychological distress or harm.

2. How much we will pay and how

Following accidental bodily injury to an Insured Person, we will pay compensation as per the benefit limits stated on the Policy Schedule in respect of accidental death, permanent disability, temporary total disability (if applicable) and medical expenses.

2.1 Permanent disability

The following schedule of circumstances and compensation percentages apply to the benefit limit:

Circumstances		Compensation
(a)	loss by physical separation at or above the wrist or ankle of one or more limbs	100%
(b)	permanent and total loss of whole eye, sight of eye, sight of eye except perception of light	100%
(c)	permanent and total loss of hearing:	
	(i) both ears	100%

	(ii)	one ear	25%
(d)	permanent and total loss of speech		100%
(e)	injuries resulting in permanent total disability from following usual occupation and any other equivalent occupation for which the Insured Person is fitted by education, knowledge or training		100%
(f)	loss of four fingers		70%
(g)	loss of thumb:		
	(i)	both phalanges	30%
	(ii)	one phalanx	15%
(h)	loss of finger:		
	(i)	three phalanges	15%
	(ii)	two phalanges	10%
	(iii)	one phalanx	5%
(i)	loss of metacarpals:		
	(i)	first or second (each metacarpal)	3%
	(ii)	third, fourth or fifth (each metacarpal)	2%
(j)	loss of toes:		
	(i)	all on one foot	30%
	(ii)	great, both phalanges	10%
	(iii)	great, one phalanx	5%
	(iv)	other than great, if more than one toe lost, each	5%

(k) permanent disfigurement of:

(i) the head and neck, provided the total area affected exceeds a percentage 20% of the total area of the head and neck of 100%;

ii) the hands, provided the total area affected exceeds 20% compensation in of the total area of the hands direct proportion;

(iii) all other areas of the body, provided that the total to the area affected exceeds 5% of the total area of the body affected.

2.1.2 Memoranda

1. Where the injury is not specified, we will pay such sum which is not inconsistent with the above provisions.
2. Permanent total loss of use of part of the body shall be treated as loss by physical separation of such part.
3. 100% shall be the maximum percentage of compensation payable for permanent disability for any one Insured Person in respect of each and every claim.
4. If a claim for loss of part of the body is payable under Definitions(a) to (j), or if the percentage of compensation due under (k) is greater than the percentage of compensation payable under (a) to (j), compensation under Definition (k) shall not be payable in respect of the same part of the body.

3. Special conditions applicable to this section

3.1

1. ***Claims*** – on the happening of any occurrence which may result in a claim under this section of the policy, you or the Insured Person shall give notice thereof as soon as possible (and in each case within 180 days of injury) to us. You must also send full particulars of the claim and such information and documentation as is required by us;
2. ***Prescription*** – if we disclaim liability in respect of any claim and an action or suit is not commenced within twelve months after such disclaimer, all benefit under this policy in respect of such claim shall be forfeited;

3. ***Fraud*** – if you or an Insured Person makes any claim knowing it to be false or fraudulent, the benefit afforded by this section of the policy in respect of such claim shall be forfeited;

4. ***Non-assignment*** – this section of the policy is not assignable without our written consent. Compensation shall be payable only to the Insured or their legal representative, whose receipt shall be our discharge;

5. ***Change of business/occupation*** – you shall give notice to us within a reasonable time of any material change in the business or an Insured Person's occupation and shall pay any additional premium required by us in consequence thereof;

6. ***Furnishing of information*** – all certificates, information and evidence required by us will be furnished in the form prescribed and without expense to us. The Insured Person shall submit to medical examination on behalf of and at our expense as often as shall be required in connection with any claim;

7. ***Medical advice*** – qualified medical advice shall be sought and followed promptly on the occurrence of any bodily injury and we will not be liable for any part of any claim which in the opinion of the medical adviser arises from the unreasonable or willful neglect or failure of an Insured Person to seek and remain under the care of a qualified member of the medical profession;

8. ***Existing condition*** – if the consequences of an accident shall be aggravated by any condition or physical disability of the Insured Person which existed before the accident occurred, the amount of any compensation payable under this section of the policy in respect of the consequences of the accident shall be the amount which it is reasonably considered would have been payable if such consequences had not been so aggravated.

3.2 It is declared and agreed that:

(a) we will not be liable to pay for death or disability for one Insured Person in respect of each and every claim, more than the compensation payable for death or permanent disability (whichever is the higher) plus any compensation payable for temporary total disability, and medical expenses;

(b) the benefit limits specified for temporary total disability in respect of each and every claim shall not be payable for more than the number of weeks stated on the Policy Schedule and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible, notwithstanding the permanent total disability may remain. Provided that we will not be liable for any compensation for such temporary total disability during the time exclusion as stated on the Policy Schedule;

(c) any payment by us for medical expenses for any one Insured Person in respect of each and every claim shall be in excess of and not be reduced by the amount of the deductible stated on the Policy Schedule;

(d) unless agreed prior to commencement of this section of the policy, cover will not apply to any Insured Person younger than 15 years of age or after the expiry of the period of insurance in which he attains 80 years of age;

(e) any compensation payable by us for any period of temporary total disability or medical expenses shall be reduced by an amount equal to the compensation received or receivable by or on behalf of the Insured Person under any occupational injury compensation enactment for temporary total disability for the same or a lesser period or in respect of medical expenses;

(f) Limit any person/limit any event – our liability in respect of:

  (i) Death and permanent disability is limited to the amount stated in the Policy Schedule any one Insured Person in respect of each and every claim;

  (ii) Any one event is limited to the amount stated in the Policy Schedule in respect of each and every claim;

(g) on the happening of any occurrence which may result in a claim under this section of the policy, you shall give notice thereof as soon as possible (and in each case within 180 days of injury) to us. You must also send full particulars of the claim and such information and documentation as is required by us.

(h) after suffering accidental bodily injury for which compensation may be payable under this section of the policy, the Insured Person shall, when reasonably required by us so to do, submit to a medical examination and undergo any treatment specified. We will not be liable to make any payment unless this condition is complied with to our satisfaction;

(i) payment on account may be made to you, if required, at our discretion;

(j) the benefit limits are expressed on a VAT exclusive basis on the Policy Schedule and we agree to pay for any VAT obligation you may incur arising out of any claims settlement we may make;

(k) any deductible will be applied to any claims settlement prior to accepting and paying any VAT obligation as referred to under (i) above.

4. What we will not pay

In addition to the general exclusions applying to all sections of the policy, we will not be liable to pay any claim under this section of the policy in respect of any Insured Person:

1. whilst engaging in flying as pilot or member of an aircrew. This exception does not apply to any Insured Persons engaging in ballooning, hang-gliding, paragliding and parachuting, provided that such activities are solely for social and/or pleasure purposes and not of a competitive nature or for reward;
2. caused by the Insured Person's suicide or intentional self-injury;
3. caused solely by an existing physical defect or other infirmity of the Insured Person;
4. as a result of the influence of drugs or narcotics upon the Insured Person unless administered by a member of the medical profession (other than himself) or unless prescribed by and taken in accordance with the instructions of a member of the medical profession (other than himself);
5. for bodily injury to the Insured Person whilst the Insured Person is driving or operating any motorised or mechanically operated vehicle under the influence of alcohol. For the purposes of this exception the term "under the influence of alcohol" means having blood alcohol level concentration greater than the statutory limit at the time of the accident;
6. caused by the Insured Person's participation in any riot or civil commotion;
7. as a result of the Insured Person's deliberate exposure to exceptional danger (except in an attempt to save human life) or the Insured Person's own criminal act;
8. while participating in sport as a professional player;
9. directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or from any nuclear weapons material. For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission;
10. for venereal disease or Acquired Immune Deficiency Syndrome (AIDS) or Aids related complex (ARC) howsoever this syndrome has been acquired or may be named;
11. for any mental and/or nervous disorders, or any like condition arising from or attributable to stress or stress-related situations, other than those caused by accident as defined in this section of the policy;

SECTION 20: GENERAL EXCLUSIONS THAT APPLY TO EVERY SECTION OF THE POLICY

You are not covered for any loss, damage or liability caused by or resulting from, or the costs incurred from or of:

1. Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses 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 quality.

2. Confiscated property

Any property that has been legally detained or confiscated.

3. Consequential loss

Consequential loss of any kind whatsoever, except were we specifically state that loss or damage of this nature is covered.

4. Contracts

Liability arising from a contract, unless you would have had the same liability had you not entered into the contract.

5. Defective design, lack of maintenance and cost of maintenance

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

6. Electronic data

Loss or damage to electronic data, or the cost of rewriting records as a result of loss of electronic data unless directly caused by an event insured under an applicable section of this policy.

7. Illegal activities

The use of your property for, or in connection with, the commission of any offence. This includes any incident relating to obtaining, using or soliciting narcotics.

8. Intentional damage

Damage or liability intentionally caused or incurred by you or by any person acting with your express or implied consent.

9. Radioactivity

9.1 ionising, radiation or contamination by radioactivity from any nuclear fuel, weapon, waste or other material whether occurring naturally or otherwise;

9.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

9.3 the storage, transport, assembly, disassembly, maintenance or operation of any nuclear weapon or nuclear component thereof or any other nuclear material.

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

10. Sanctions limitation

We shall not be liable to pay any claim or provide any benefit under this policy where the indemnity, claim payment or provision of such benefit is contrary to the prohibitions or restrictions under United Nations resolutions or the trade or economic sanction, laws or regulations of the European Union, United Kingdom or United States of America irrespective of enactment in the jurisdiction where indemnity or benefit is provided or payment made.

11. War, terrorism, riots, political acts and public disorder

11.1 civil commotion, labour disturbances, riot, strike, lock-out or public disorder or any act or activity which is calculated or directed to bring about any of the above;

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

11.3 mutiny, military rising 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, insurrection, rebellion or revolution;

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

11.5 any act calculated or directed to bring about loss or damage 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;

11.6 any attempt to perform any act referred to in exclusions 4.4 and 4.5 above;

11.7 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any event referred to in any of exclusions 4.1 to 4.6 above;

11.8 any act of terrorism. An act of terrorism means the use or threat of violence for political, religious, personal or ideological reasons. This may or may not include an act that is harmful to human life. It could be committed by any person or group of persons, acting alone, on behalf of or with any organisation or government. It includes any act committed with the intention to influence any government or inspire fear in the public;

11.9 any event for which a fund has been established under the War Damage Insurance and Compensation Act (no.85 of 1976) of the Republic of South Africa or any similar act operative in any of the territories to which this policy applies.

If we allege that a claim is not covered because of General Exclusion 4 above, then you must prove the contrary.

SECTION 21: GENERAL CONDITIONS AND PROVISIONS THAT APPLY TO EVERY SECTION OF THE POLICY

1. Accountants

Any particulars or details contained in your books of account or other business books or documents which may be required by us for the purpose of investigating or certifying any claims may be produced and certified by your auditors or accountants and their certificate shall be prima facie evidence of the particulars and details to which such certificate relates.

2. Adjustment of premium

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

3. Alarm systems

If you have advised us that surveillance or protective equipment, burglar or fire alarm systems are used or installed at your location you must:

(a) ensure it is regularly tested and maintained in accordance with the manufacturers recommendations;

(b) take all reasonable precautions to ensure that it is operational outside normal business hours.

4. Alteration of risk

You need to advise us immediately of any change in risk which may materially alter any of the facts or circumstances that existed at the commencement of this policy and its subsequent renewal. This applies in particular to the use of or occupation of the building(s) as well as any changes that may increase the risk of loss or damage or the likelihood of liability losses.

If you do not comply with this condition, we may reduce or refuse to pay a claim or cancel your policy. If your non-disclosure is fraudulent we may treat this policy as never being in force.

We reserve the right to amend the rate, terms and conditions of the policy with immediate effect if our exposure is increased by way of the change in risk.

5. Appointment of an administrator

You need to advise us within 7 (seven) days of the appointment of an administrator in terms of Section 16 of the Sectional Titles Schemes Management Act.

6. Arbitration

If any difference shall arise as to the amount to be paid under this policy (liability being otherwise admitted) such difference shall be referred to an arbitrator (or arbitrators) to be appointed by the parties concerned in accordance with the applicable statutory provisions in force. The making of an award shall be a condition precedent to any right of action against us to recover such amount in dispute.

7. Breach of conditions

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

8. Cancellation

You may cancel this policy at any time and with immediate effect.

We may cancel this policy by giving you 30 days' notice in writing by post, e-mail or fax.

Your policy will cancel when your:

- Monthly premiums are not paid for two consecutive months on either the due dates or within the grace periods in those months.
- Annual and term premiums are not paid on the due date or within the grace period.

The policy will end at 24h00 on the final day of the period for which you last paid your premium.

On cancellation, we shall be entitled to retain the pro rata premium for the unexpired policy period.

9. Collective insurance

If more than one insurer participates in this policy, the words, we, us and ours will include "insurer" wherever it appears. In this event the percentage share of each insurer will be as expressed in the schedule and the liability of each insurer individually limited to the percentage share shown against its name.

10. Disputed claims

In terms of the Policy Holder Protection Rules, if you dispute the outcome of your claim you have 90 days from the day you are first informed of the outcome to notify us about your objection. Immediately following this you have a further 6 months within which to serve a summons on us. If you do not do so within this period, your right to challenge the decision is forfeited.

11. Excess

Except where provided for specifically in any section, the payment/indemnity for each and every loss, damage or liability shall be reduced by the excess shown, in the Policy Schedule for the applicable insured event.

12. Fire protection

It is a condition precedent to liability under this policy that all fire fighting equipment and fire protection at your premises is installed, maintained and serviced in accordance with the regulations contained in the National Building Regulations and Building Standards Act (no. 103 of 1977) as amended or substituted from time to time and any similar applicable legislation and regulations thereto as well as any other regulations as may be contained in the respective Emergency Services by-laws.

13. Fraud

If any claim under this insurance be in any respect fraudulent, or if any fraudulent means or devices be used by you or anyone acting on your behalf with your knowledge or connivance to obtain any benefit under this insurance, or if any loss or damage be occasioned by the wilful act or with your connivance, all benefit under this insurance in respect of such claim shall be forfeited.

14. Holding covered

If we have confirmed in writing that we are holding covered on a risk we will not reject a claim on the basis that the premium has not been agreed.

15. Inspections

We or our service providers have the right to inspect and examine, by appointment, any insured property under this policy. Neither our inspection nor our failure to inspect, alters the terms and conditions of this policy or your obligations in any way. Any inspection will be restricted to matters which, in our opinion, are relevant to this policy.

16. Interest

No payment due by us for any claim will be subject to interest under Common Law or under the prescribed rate of the Prescribed Rate of Interest Act (No. 55 of 1975) as amended or substituted from time to time.

17. Jurisdiction

Any dispute concerning the interpretation of the terms, conditions, limitations and/or exclusions contained in this policy is understood and agreed by both yourself and ourselves to be subject to the courts and law of the Republic of South Africa.

18. 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 other than where a claim is registered under Section 11: Water heating systems and Section 1: Buildings for the same insured event.

19. Maintenance

You must take all reasonable steps to keep your building and common area in good condition. This includes:

(a) repairing faults or fixing defects such as roofs, gutters, drains, water pipes and tiled areas when they leak or need repairs;

(b) taking reasonable care to prevent injury such as installing and maintaining pool fencing and gates;

(c) take all reasonable care to prevent theft, loss, damage or legal liability.

20. Meaning of words

The Policy Schedule and any endorsements to the schedule and the policy wording must be read together and any word or expression, to which a specific meaning has been given, either within a policy section or under Section 22, will bear the same meaning wherever it appears.

21. Misrepresentation, misdescription and non-disclosure

An item, section or sub-section of this policy or the entire policy, will be deemed voidable in the event of any misrepresentation, misdescription or non-disclosure of any material fact which could have influenced our decision to insure you or the terms to apply when we agreed to insure you.

22. National Building Regulations

All insured properties must comply with the National Building Regulations and the Building Standards Act (no. 103 of 1977) as amended or substituted from time to time and any similar applicable legislation and regulations thereto. All plans must have been submitted to and approved by the local authority at the relevant time of construction.

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

23. Other insurance

If, at the time of any event giving rise to a claim under this policy, an insurance exists with any other insurers covering you against the insured event, we shall be liable to make good only a rateable proportion of the amount payable by or to you in respect of such event. If any such other insurance is subject to any condition of average, this policy, if not already subject to any conditions of average, shall be subject to average in like manner. For example, if a unit owner arranges insurance for their unit independently of the Body Corporate, and they suffer damage to the unit that is covered by both policies, then we will only pay a rateable proportion of their claim.

24. Premium payment

Premiums are payable on or before inception or renewal dates for this policy to operate.

The due date for payment will be the first day of each calendar month where the period of insurance is monthly, and the first day of

(a) each third calendar month after inception, where the premium is payable quarterly;

(b) each sixth calendar month after inception, where the premium is payable half-yearly;

(c) each twelfth calendar month following inception, where the premium is payable annually.

If premium is not paid on the due date you will have 15 days from the due date to pay the premium. If no premium is collected during this period, the policy will be cancelled from the due date. If this is a monthly policy the 15 day period will apply from the second month of insurance.

25. Refund of premium if this policy is cancelled

If this policy is cancelled after the cooling-off period has expired but before the end of the period of insurance, we will:

(i) keep the premium for the period you were covered;

(ii) refund to you any premium you have paid from the date of cancellation to the end of the period of insurance.

26. Rights to other persons

Unless stated otherwise, nothing in this policy will give rights to any person other than you. Any extension that provides indemnity to any person other than you will not give any rights of claim to such person. The intention is that you shall claim on behalf of such person. Your receipt of our payment will in every case be a full discharge of our liability.

27. Security firms

If an employee of a security firm employed by you under a contract causes loss or damage, we agree, if in terms of the said contract you may not claim against the said security firm, not to exercise our rights of recourse against the said security firm.

We shall not raise as a defense to any valid claim submitted under any section or sub-section of this policy that our rights have been prejudiced by the terms of any contract entered into between yourself and any security provider relating to the protection of your property.

28. Schedule sums insured blank

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

(a) left blank or has no monetary amount stipulated against it;

(b) reflected as nil or not applicable or not covered or no indemnity extended;

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

29. Subrogation rights

We have the right to take over and conduct in your name the defense or settlement of any claim, to prosecute in your name any claim for damages, indemnity, contribution or otherwise. We have full discretion in the conduct of any proceedings and in the settlement of any claim. You must give us all such information and assistance as we may reasonably require in defending you or prosecuting in your name.

30. Claims procedure applicable to all sections

We shall not be liable to pay a claim under this policy unless the following procedures are adhered to in the event of an occurrence:

30.1 Your responsibility:

On the happening of an insured event or occurrence which may result in a claim, you must at your own expense:

(a) take all reasonable precautions to prevent further loss, damage or liability;

(b) notify the police within 24 hours of any malicious damage, burglary, housebreaking fraudulent misappropriation, theft or any attempted of your property or any other suspected criminal conduct;

(c) notify us of your claim as soon as reasonably possible but no later than 30 days after the event. Failure to do so may result in your claim being rejected;

(d) complete all forms as requested by us and provide proof regarding stolen or damaged property;

(e) keep items that have been damaged and allow us, or our service providers, access to inspect the items and/or to assess repair costs;

(f) immediately forward any invoices, demand letters, summons or notices you receive from other persons or organisations involved in the incident or occurrence directly;

(g) notify us immediately in writing if you become aware of any incident or occurrence which may result in a claim being made against you;

(h) notify us within 7 (seven) days of any disputes registered with the Community Schemes Ombud Service office;

30.2 What you must not do:

(a) admit liability or offer to settle for any incident which may result in someone claiming against you;

(b) arrange replacement or approve repairs of any property in connection with your claim without our consent (other than emergency repairs necessary to minimize or prevent further loss or damage);

(c) dispose of any damaged property without our consent.

30.3 No claim will be payable:

(a) after the expiry of 24 months, or such further time as we may allow in writing, from when the insured event happened, unless the claim is the subject of pending legal action or is in respect of your legal liability to a third party;

(b) unless you claim payment by serving legal process in writing on us within six months of the rejection of a claim and you pursue such proceedings to finality.

SECTION 22: SPECIAL MEANING OF WORDS

Some other words have special meanings and these are explained where they occur in the relevant section of the policy.

Act

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

- Sectional Title Schemes Management Act No. 8 of 2011; or
- Community Schemes Ombud Service Act; or
- The Companies Act 71 of 2008 (or as may be amended); or
- The Shareblocks Control Act No. 59 of 1980 (or as may be amended); or
- The Housing Development Schemes for Retired Persons Act No. 65 of 1988 (or as may be amended)

whichever is applicable having reference to the context in which the Act is used.

Accident or accidental

Something you did not intend or expect to happen. A single, sudden, unintentional and unexpected event which occurs at an identifiable time.

Agent

A person who exercises executive control over your financial affairs BUT excluding managing agents and/or their employees, appointed contractors, sub-contractors or other persons.

Body Corporate

The controlling body of the building(s), described in the schedule, and acting within the requirements of the Sectional Titles Act.

Business

(i) The duties and requirements of a Body Corporate in terms of the Sectional Titles Act as may be applied to this insurance and the registered rules agreed and amended by the appointed Trustees or as may be amended by statutory regulation and/or the provisions thereof; or

(ii) The duties and requirements of the directors of a Company governing the activities of a Home Owners Association as determined in accordance with the requirements of the Companies Act as may be applied to this insurance or amended by statutory legislation and/or the provisions thereof; or

(iii) The duties and requirements of the directors/members of a 'share-block' as determined in accordance with the requirements of the Shareblocks Control Act as may be applied to this insurance or amended by statutory legislation and/or the provisions thereof; or

(iv) The duties and requirements of the management committee of a 'life rights' development as determined in accordance with the requirements of the Housing Development Schemes for Retired Persons Act as may be applied to this insurance or amended by statutory legislation and/or the provisions thereof.

Business activity

A business, trade, profession, occupation or any income earning activity, but it does not mean the residential tenancy of any part of your building.

Building

"Building" means a structure of a permanent nature erected and which is shown on a sectional plan as part of a scheme.

Committee member

Elected member of the Management Committee.

Common property

That part of the property insured which does not form part of a section and described on the sectional plan stated in the schedule.

Common areas

The areas at the insured address which are not part of any unit (e.g. gardens, driveways, footpaths, walkways, pool areas, tennis courts).

Common area contents

The office contents including any electronic equipment, domestic appliances and equipment, furniture and fittings, gym equipment, swimming pool or spa covers and accessories, swimming pools or spas that are not in the ground, that are owned by the Body Corporate or for which they are legally responsible, located in any common area at the premises as stated in the schedule.

Cover section

The different types of cover that form part of our Residential Scheme insurance product.

Directors and/or prescribed officer

Elected person(s) appointed by any Home Owner's Association.

Directors and/or member(s)

Elected persons(s) appointed by Shareblock Investors.

Employee

Any person whilst employed under a contract of service with you BUT excluding managing agents and/or their employees, appointed contractors, sub-contractors or other persons acting on behalf of or under their direction.

Excess

The excess

- is the amount you have to pay for each incident if you make a claim;
- is deducted from the amount of cover provided by your policy.

The amount and type of excess that applies to your policy is shown on your Policy Schedule. We will deduct the excess from the amount of cover under your policy and then pay you, or we will ask you to pay the excess to a supplier, repairer or us.

Home Owners Association

The directors of a company acting within the requirements of the Companies Act.

Incident

A single occurrence or series of occurrences arising from the one event which is not intended or expected to happen by you.

Insured

The insured shall include all owners and all mortgages of registered mortgage bonds over the units in the scheme for their respective rights and interests where noted.

Insured event

Any event that would cause us to pay a claim. For example, in building insurance, an insured event may be a hail storm because it would cause us to compensate you for property damage.

Legal costs

Legal fees, charges and expenses (except for your fees or salaries, or salaries of your employees) we have accepted and approved in writing, for investigation, defense, monitoring or settlement of any claim.

Management committee

The committee responsible for the day to day operations and implementation of house rules and regulations at a retirement scheme.

Managing agent

A person or company, their employees, contractors and other persons acting on behalf of or under their direction, with delegated functions, appointed by the Body Corporate, company or scheme, to control, manage and administer the business or affairs of the Body Corporate, company or scheme.

Mortgagee

A credit provider who has a financial interest in a unit. When a mortgagee is noted on your insurance schedule of insurance they have rights under your policy.

Owner

All registered owners of a Unit including the spouse and children and other persons normally residing with the owner.

Participation quota in the common property

The participation quota of a section or of the owner of a section shall be at that proportion designated in the sectional plan and/or rules of the controlling body.

Period of insurance

The period we will insure you for as shown in your Policy Schedule.

Policy

Your insurance contract.

Retaining wall

A wall designed to hold back or prevent the movement of earth.

Scheme

(a) The Sectional Titles Management Schemes Act (No. 8 of 2011) as amended or substituted from time to time;

(b) The investment entitlement of investors in terms of the Companies Act 71 of 2008 (Section 21)(companies not for gain); or

(c) The investment entitlement of investors in terms of the Shareblocks Control Act no. 59 of 1980; or

(d) The "life right" entitlement of a retired person in terms of the Housing Development Schemes for Retired Persons Act No. 65 of 1988.

Scheme executive

A unit owner or a nominee of a unit owner, appointed as a member of your executive committee as required by legislation. Scheme executives include:

- Trustee appointed by the Body Corporate but excluding an executive managing agent appointed by the Body Corporate;
- Director and/or prescribed officer appointed by any Home Owner's Association;
- Director and/or members appointed by Shareblock Investors;
- Committee member appointed to the management committee of a retirement scheme.

It does not include a managing agent or any contractor maintaining or managing your building.

Section

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

Seepage or underground water

Water that seeps or flows under or through the earth. Engineers sometimes refer to this as "hydrostatic" water.

Standard construction

Means the buildings shall be constructed of brick, stone, concrete or metal on metal framework, and roofed with slate, tiles, metal or concrete.

Trustee

The elected trustees of the Body Corporate.

Tenant

A person who pays an amount of money in exchange for living in the building.

Unit

The section designated on the sectional plan including its undivided share in the common property apportioned to it in accordance with the participation quota or that interest in a unit representing the investors entitlement as a share block investor or the "life right" entitlement of a retired person.

Unoccupied

Means that the building or any portion thereof is empty, disused, unfurnished, or no longer in active use by you or a tenant. A building or portion thereof will be deemed to be unoccupied if it has been vacated and there is no current occupant even if a lease has been signed by a new tenant to take occupancy at a future date. Workmen or contractors sleeping on the premises does not constitute occupancy.

Where the insured property comprises of more than one building this definition will apply to each building separately.

We, us or our

Santam Limited as the Insurer and Santam Specialist Real Estate as the underwriter.

You, your, yourself, insured

Body Corporate, Home Owner's Association, Share block Investor's Scheme or retirement scheme name in the Policy Schedule and its ownership or insurance interest according to the relevant laws applying to your building and common property.

SANTAM SPECIALIST REAL ESTATE

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