

Sectional Title Insurance Policy

Combined Sectional Title insurance policy for Bodies Corporate under Section 37(1) (f) of the
Sectional Titles Act No 95 of 1986

Underwritten by
Absa Insurance Company Limited, Reg No 1992/001737/06

SECTIONAL TITLE INSURANCE POLICY

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INTRODUCTION

We agree to indemnify you by payment or, at our option, by replacement, or by reinstatement, or by repair the loss or damage following from any one of the insured contingencies.

Premium payments – The premium must be paid within 15 days of the inception/renewal date, otherwise the policy will be cancelled from midnight on the day before the premium was due. However, if this policy is a monthly policy the 15 days period of grace will only apply from the second month of insurance.

DEFINITIONS

Save where inconsistent with the context, the following words and phrases shall have the following meanings:-

- 1 "the Act" the Sectional Titles Act No 95 of 1986 as amended or substituted from time to time;
- 2 "Body Corporate" the controlling body of the buildings described in the schedule;
- 3 "the business" the business conducted by the Body Corporate and/or its trustees in exercising its powers referred to in Section 38 of the Act;
- 4 "the scheme" the Sectional Titles Development Scheme constituted in respect of the buildings;
- 5 "Section" a section as shown on the Sectional Plan bearing the number stated in the schedule;
- 6 "unit" a section with its undivided share in the common property apportioned to it in accordance with its participation quota;
- 7 "common property" that part of the property insured which does not form part of a section as described on the Sectional Plan referred to in the schedule;
- 8 "participation quota" in relation to a section or an owner means the participation quota as defined in the Act;
- 9 "owner" the owner of a unit;
- 10 "the insured" the Body Corporate and owners of all units within the scheme/legal entity named in the policy schedule.
- 11 "land" the land described in the schedule attached hereto upon which the buildings are erected;
- 12 "the buildings" all buildings and improvements on the land owned by the insured and forming part of the development scheme referred to in the schedule hereto and shall include all sections;
- 13 "the schedule" the computer printout as amended from time to time providing certain details regarding and a summary of the insurance cover provided under this policy;
- 14 "the company" Absa Insurance Company/we/us/ourselves;
- 15 "the/this policy" the agreement of insurance concluded between the insured and the company consisting of this document, any proposal and declaration made and executed by the insured, the schedule and all endorsements;
- 16 "the property" the buildings and all other items in respect of which insurance cover is provided under this policy.

SECTION 1: BUILDING(S)

COVER PROVIDED

We shall indemnify the insured against any loss or damage to the buildings caused by or resulting directly from any of the following insured events-

- 1.1 fire and explosion;
- 1.2 storm, lightning and flood but excluding -
 - 1.2.1 a rise in the underground water table or pressure caused thereby, and
 - 1.2.2 subsidence or landslip;
- 1.3 earthquake, excluding earthquake or earth tremor arising from any mining operations;
- 1.4 aircraft and other aerial devices or articles dropped therefrom;
- 1.5 bursting, leaking or overflowing of geysers, pipes, domestic appliances, cisterns, baths or fixed water tanks and other apparatus forming part of the buildings;
- 1.6 escape of water or oil from a defective water or oil-fired heating installation forming part of the buildings;
- 1.7 violent collision by any road vehicle, animals, falling trees (excluding intentionally felled trees) or collapse of TV or radio aerials, satellite dishes, masts or lightning conductors;
- 1.8 housebreaking or any attempted housebreaking;
- 1.9 theft or any attempted theft of landlord's fixtures and fittings in or on the buildings accompanied by actual visible forcible and violent breaking into or out of the building
- 1.10 the deliberate or wilful or wanton act of any person, save for any tenant of the insured or any person occupying the buildings with the knowledge of such tenant, committed with the intention of causing such loss or damage but excluding -
 - 1.10.1 consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured,
 - 1.10.2 loss or damage caused by or arising from burglary or any attempted burglary;
 - 1.10.3 loss or damage resulting from total or partial stoppage of work, or the delay or interruption or stoppage of any process or operation, and
 - 1.10.4 loss or damage occasioned by permanent or temporary dispossession as a result of confiscation, commandeering or requisition by any lawfully constituted authority,

provided, however, that if we alleges that any loss or damage has not been caused by an insured event referred to in 1.10.1 to 1.10.4 then the burden of proving the contrary shall rest upon the insured.

2 Loss of rent/rental value

Following loss or damage to the building by an insured peril rendering it uninhabitable;

We will pay for:

- 2.1 loss of the actual rental where the building is let;
- 2.2 the reasonable rental value of the unfurnished building or part thereof if occupied by the insured, provided that the period is limited to a reasonable period necessary for reinstatement and limited to 20% of the sum insured.

3 Accidental damage to public supply or mains connections

We will indemnify the insured against accidental damage to water, sewerage, gas, electricity and telephone connections for which the insured are legally liable between the insured building and the public supply or mains connection.

4 Accidental breakage of glass and sanitaryware

We will, while the building is furnished and occupied, pay for accidental breakage of;

- 4.1 fixed glass windows, glass in doors, fanlights, skylights, greenhouses, conservatories, stoves, ovens, verandas, mirror glass; and fixed sanitary ware.

but excluding chipping, scratching and other disfiguration.

5 Fees

We will pay for costs limited to 10% of the sum insured necessarily incurred by the insured with our consent;

- 5.1 in demolishing the building(s);
 - 5.2 for removing debris from the site;
 - 5.3 for erecting hoardings required for building operations;
 - 5.4 for architect's, quantity surveyor's and consulting engineer's fees;
 - 5.5 for local authorities fees;
- following loss, destruction or damage to the property by an insured event.

6 Escalation

At each renewal date the insured shall notify us of the sum(s) to be insured for the forthcoming period of insurance and the percentage increase required for such period. In default thereof, the provisions of this clause shall cease to apply.

7 Machinery breakdown

We shall indemnify the insured in respect of the;

sudden and unforeseen fortuitous physical damage to the insured machinery forming part of the buildings, provided that:

- 7.1 we will not be responsible for the cost of any alterations or overhauls carried out on the occasion of repair or reinstatement,
- 7.2 in case of a claim where loss or damage is confined to a part of a machine or structure, we shall only be liable for the value of that part plus the cost of any necessary dismantling and erection for which you are responsible,
- 7.3 in the event of total loss, which shall mean when the insured machinery is not repairable, the amount payable shall be the cost of reinstatement in accordance with the reinstatement value conditions in the policy.

We will not be liable for:

- 7.4 damage to the insured machinery at any cause insured in terms of other sections of the policy or subsequent dismantling or re-erection,
- 7.5 the first, R500 of each and every claim,
- 7.6 wear and tear or gradual deterioration including the gradual action of light or climatic atmospheric conditions,
- 7.7 damage resulting from experiment, overloads or tests,
- 7.8 any amount exceeding R10 000.

8 Accidental damage

We will indemnify the insured for accidental damage to fixtures and fittings of the building.

We will not be liable for:

- (1) the first R1 000 (one thousand rand) of each and every claim;
- (2) more than R100 000 (one hundred thousand rand) in total of any one claim.

We will not be liable for loss, destruction or damage caused by or resulting from wear and tear, depreciation, electrical or mechanical breakdown, rust, mildew, moth, vermin, insects, any other gradual operating cause, processes of dyeing, cleaning or renovating, the action of light or atmospheric conditions, confiscation or detention by any process of law.

9 Geyser(s)

Following the bursting or leaking of a fitted geyser;

- 9.1 We will pay for the repair or the replacement but limited to R3 000 (three thousand rand) per geyser.
- 9.2 We will not pay for the repair or replacement of defective elements, thermostats or valves.
- 9.3 We will not be responsible for the first R500 of each and every claim.

10 **Swimming pool/borehole pumps extension**

If swimming pool and Jacuzzi machinery or borehole pumps in domestic use are damaged by any cause other than wear and tear or depreciation we will at our option, repair or replace the damaged equipment or pay you the insured value thereof up to an amount of R5 000 for any one claim. You will be responsible for the first R500 of every claim.

11 **Trustee Extension**

The policy has been extended to include the liability which the Body Corporate and/or any Trustee shall become legally liable to pay arising out of any wrongful act of a Trustee provided that our limit of liability including all costs and expenses shall not exceed R500 000 any one every any one period of insurance.

A wrongful act shall be:

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

We will not indemnify you in respect of:

- 11.1 any liability for the payment of VAT;
- 11.2 any remuneration or other monies to which the Body Corporate or Trustee is/are legally entitled;
- 11.3 any indemnity claimed or claimable in terms of any other insurance;
- 11.4 any Trustee committing any wrongful act(s) knowing such action(s) to be illegal, fraudulent or of malicious intent, but this exception shall not apply to any incorrect party affected by this such act(s);
- 11.5 the first R5 000 of any claim.

SPECIFIC EXCEPTIONS

We will not pay for loss or damage related to or caused by or in respect of:

- 1 consequential loss of any kind;
- 2 wear and tear, scorching rust or gradual deterioration or destruction by pests, vermin or animals;
- 3 defects in design or construction;
- 4 buildings not maintained in a good order and condition;
- 5 damage to pipes, fixed water tanks and other water carrying apparatus;
- 6 wooden fences and gates caused by fire, storm or flood;
- 7 roots and/or weeds;
- 8 netting, shadenetting, canvas or materials of similar nature;
- 9 retaining walls unless constructed according to approved structural engineers specifications;
- 10 planted hedges, wire fences, soil, vinyl or plastic pools, automatic pool cleaners and pool covers;
- 11 any act of the insured committed while drunk, insane, or acting with diminished responsibility whether or not such person was capable of forming any intention at the time such act was committed;
- 12 loss or damage to any insured property related to your profession, business, or farming operations unless specifically agreed.
- 13 any increased cost as a result of the unavailability of matching materials;
- 14 any loss or damage which is the subject of a valid manufacturers warranty.

SPECIFIC CONDITIONS

- 1 Only the insured/legal entity and/or cessionary is entitled to claim under this policy.
- 2 The sum insured may be increased automatically on each renewal date by a percentage commensurate with price indices. However the insured remain responsible to ensure that the sum insured represents the full replacement value of the insured property at all times.
- 3 This section may be cancelled at any time on your written request, provided that if the property is mortgaged, the written consent of the mortgagee(s) shall first be obtained. The premium payable shall be adjusted on the basis of us receiving or retaining the short-term premium or minimum premium.
- 4 The insured may not cede this policy, if applicable, without our written permission, as the insured's rights in this policy shall automatically be ceded to the first mortgagee registered in respect of the insured property.
- 5 The interest of the mortgagee;
 - 5.1 ranks prior to the insured's interest;
 - 5.2 is limited to the amount owing on the financial agreement to the mortgagee by you in respect of the insured property;
 - 5.3 will not be invalidated by any act or omission of the insured, if such act or omission, occurs without the mortgagee's knowledge.
- 6 Should a tenant of yours or occupant, without your knowledge or consent, do or omit to do anything which would invalidate the policy, cover will not be affected provided that;
 - 6.1 the insured notify us of such act or omission as soon as it comes to the insured's knowledge;
 - 6.2 the insured pay any additional premium relating to the change in risk.
- 7 The onus is on the insured to prove that any claim is covered in terms of the policy.
- 8 If the insured property is destroyed or damaged, the basis upon which the amount payable is to be calculated, shall be the cost of replacing and/or reinstating on the same site, buildings of the same or similar type, but not superior to or more extensive than the insured property, when new.
- 9 If the replacement value of the insured property exceeds the sum insured, you shall be considered as being your own insurer for the difference, and shall bear a rateable proportion of any loss accordingly.
- 10 The insured will be responsible for the first amount stated in the addendum.

12 Public liability

- 12.1 We will indemnify you against any legal liability in respect of accidents occurring during any period of insurance in or about the insured buildings as a result of any condition in the insured buildings or on the premises upon which such insured buildings are erected and caused by your negligence resulting in
- 12.1.1 bodily injury to any person not being a member of your family or household or in your service; or
 - 12.1.2 damage to property not belonging to or under your control or of a member of your family or household or a person in your service;
 - 12.1.3 cost and expenses recoverable from yourself by any claimant, provided such cost and expenses were incurred before the date on which we paid or offered to pay the amount lawfully recoverable by the claimant,
 - 12.1.4 costs and expenses incurred by you with our consent.
- 12.2 We will not indemnify you in respect of:
- 12.2.1 injury or damage arising from or incidental to your profession, business or farming activities; or
 - 12.2.2 liability arising from any contract of indemnity;
 - 12.2.3 liability for disease or impairment attributable to gradually operating cause which does not arise from a sudden and identifiable accident or event.
- 12.3 The amount payable in respect of any one accident or series of accidents constituting one occurrence shall not exceed R3 000 000 (three million rand).

13 Money

We shall indemnify you for loss of or damage to money occurring on the premises, provided that our liability for all loss or damage arising from all occurrences or a series of occurrences as a result of or attributable to one source or original cause shall not exceed R10 000.

“money” means; cash, bank and currency notes, cheques, unused postal and money orders, bills of exchange, promissory notes, current postage, revenue and other negotiable stamps, travellers cheques, securities, credit card vouchers and any documents negotiable for money at their face value. The property of the insured or for which they are responsible.

We will not be liable for the loss of money –

- 13.1 arising from dishonesty of any person(s) in your employ not discovered within 14 working days of the occurrence thereof;
- 13.2 arising from shortage due to error or omission;
- 13.3 arising from the use of keys to any safe or strongroom unless the keys are obtained by violence or threats of violence;
- 13.4 in an unlocked safe or strongroom while the portion of the premises contained such safe or strongroom is unattended.
- 13.5 not contained in a locked safe or strongroom while the portion of the premises containing such money is unattended.
- 13.6 arising from any event in respect of which a claim is payable or would be payable but for,
 - 13.6.1 any first amount payable or;
 - 13.6.2 co-insurance clause under the fidelity section of the policy or any other fidelity insurance.
 - 13.6.3 for the first 5% of the claim with a minimum of R1 000.

14 Fidelity Guarantee

We will indemnify you for:

- 14.1 loss of money and/or other property belonging to you or for which you are responsible, stolen by an employee.
- 14.2 direct financial loss sustained by you as a result of fraud or dishonesty of any employee, which results in dishonest personal financial gain for the employee concerned, provided that –
 - 14.2.1 we will not be liable for any loss which occurred more than 12 (twelve) months prior to the date on which the loss is discovered;
 - 14.2.2 all losses are discovered not later than 12 (twelve) months after the termination of;
 - 14.2.2.1 this section in respect of any employee concerned with or involved in a loss; or
 - 14.2.2.2 the employment of your employee or the last of your employees concerned with or involved in a loss whichever occurs first.
- 14.3 we will not be liable for any loss exceeding R10 000 any one loss or event.
- 14.4 “Employee” shall mean
 - 14.4.1 any person while employed under a contract of service with or apprenticeship to you;
 - 14.4.2 any person while hired or seconded from any other party in your service;who you has the right at all times to govern, control and direct in the performance of his work in the course of your business.
- 14.5 we will not be liable for –
 - 14.5.1 loss or damage resulting from or contributed to by:
 - 14.5.1.1 any partner, or by any director or member of yourselves unless such director or member is also an employee;
 - 14.5.1.2 any employee from the time that you shall become aware that such employee has committed any fraud or dishonesty.
- 14.6 any consequential losses of any kind.
- 14.7 any loss or damage if it results from the dishonest manipulation of input into, suppression of input into, destruction of or alteration of any computer program, system, data or software by an employee who is employed primarily to operate or who uses the foregoing including any employee employed primarily in your electronic data-processing department or area.

SPECIFIC CONDITIONS

- 14.8 You shall 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 business as has been represented to us.
- 14.9 The first amount payable under this section in respect of any loss or damage involving one employee or any number of employees acting in collusion shall be reduced by –
 - 14.9.1 2% (two percent) of the aggregate of the sum insured under this policy and any declared policy, plus
 - 14.9.2 a further amount of 10% (ten percent) of the net amount payable after deduction of the amount specified above.both amounts shall be borne in full by you and remain uninsured.

15 Office Contents

- 15.1 We will indemnify you against loss or damage to the contents of your office caused by or resulting from any of the following insured events; but limited to R10 000 per event;
 - 15.1.1 fire, lightning, thunderbolt, subterranean fire, explosion.
 - 15.1.2 storm, wind, water, hail or snow excluding loss of or damage to property arising from its undergoing any process necessarily involving the use or application of water.
 - 15.1.3 earthquake but excluding loss of or damage to property in the underground workings of any mine.
 - 15.1.4 aircraft and other aerial devices or articles dropped therefrom.
 - 15.1.5 impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.

15.2 Limitations clause

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

15.3 Sub-section A – Documents

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

Definition

The term documents shall mean;

films, tapes, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates, documents and similar written, printed or otherwise inscribed papers and documents used by you in the business and owned by you or for which you are responsible excluding money, current postage or revenue stamps, cancelled and uncanceled coupons, securities, bearer bonds, cheques, drafts and any written order to pay a sum certain in money and any written evidence of indebtedness or obligation and all property carried or held as samples or for sale or for delivery after sale and computer software and computer data carrying media unless otherwise stated in the schedule.

15.4 Specific exception

This sub-section does not cover

- 15.4.1 loss or damage caused by
 - 15.4.2 electric or electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings except by lightning in which case the lightning loss or indemnifiable amount will be reduced by the greater of 10% of such amount of R1 000.
 - 15.4.3 vermin or inherent defect or by processing, copying or other work upon the documents
 - 15.4.4 the dishonesty of any principal, partner or director whether acting alone or in collusion with the others.
- 15.5 gradual deterioration or wear and tear
 - 15.6 costs involved in re-shooting films and videos and re-recording audio tapes.
 - 15.7 for the first 5% of the claim with a minimum of R1 000.

15.8 Sub-section B – Legal Liability Documents

We will pay for legal liability as a direct consequence of loss of or damage to documents as defined in this section and in respect of which payment, reinstatement or repair has been made or liability admitted by us, unless such payment, reinstatement, repair or liability has not been made or admitted solely because you are required to bear the first portion of the loss.

Specific exception

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

16 Employers Liability

- 16.1 We will indemnify you for any damages which you shall become legally liable to pay consequent upon death of or bodily injury to or illness of any person employed under a contract or service or apprenticeship with you, which occurred in the course of and in connection with such person's employment by you and which results in a claim or claims first being made against you in writing during the period of insurance;
- 16.2 The amount payable, inclusive of any legal costs recoverable from you by a claimant or any number of claimants, and all other costs and expenses incurred with our consent for any one event or series of events with one original cause or source, shall not exceed R1 000 000 any one loss or event.
- 16.3 Territorial limits is the Republic of South Africa.

16.4 Specific exceptions

This section does not cover

- 16.4.1 liability assumed by you under any contract, undertaking or agreement where such liability would not have attached to you in the absence of such contract, undertaking or agreement
 - 16.4.2 liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event
 - 16.4.3 fines, penalties, punitive, exemplary or vindictive damages
 - 16.4.4 damages in respect of judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland
 - 16.4.5 costs and expenses of litigation recovered by any claimant from you which are not incurred in and recoverable in the Republic of South Africa
- 16.5 any claim arising from an event known to you
- 16.5.1 which is not reported to the company in terms of general condition 7
 - 16.5.2 prior to inception of this section
- 16.6 any claim (in the event of cancellation or non-renewal of this section) not first made in writing against you within 12 month period (or extended period in respect of minors) as specified in Specific condition 13.7.

16.7 Specific conditions

- 16.7.1 Any claim first made in writing against you as a result of a defined event reported in terms of general condition 7 (hereinafter termed reported event) shall be treated as if it had first been made against you on the same day that you reported the event to us.
- 16.7.2 In the event of cancellation or non-renewal of the policy
 - 16.7.2.1 any claim resulting from a reported event, first made in writing against you during the 12 months immediately following cancellation or non-renewal shall be treated as having been made against you on the same day that you reported the event.

17 Personal accident

We will indemnify the insured for death caused by accidental, violent, external and visible means to any employee of the insured but limited to R50 000 per event.

Specific exceptions

This cover only applies to death arising from and in the course of the person's employment in the complex.

This cover only applies to persons between the ages of 15 and 70 years of age.

This cover does not include death arising directly or indirectly caused by, related to or in consequences of war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

OPTIONAL COVER

If specifically noted on the policy schedule to be insured, and for which premium has been paid to us the following additional covers are available.

18 Extended public liability

The limit of indemnity is increased from R3 000 000 (three million rand) to a maximum of R20 000 000 (twenty million rand) as per the attached policy document.

19 Subsidence and landslide

We will indemnify you in respect of damage to the building described in the policy schedule caused by subsidence and landslide excluding:

- 19.1 destruction of/or damage to, water courses, boundary, garden, screen and retaining walls, gates, posts, fences, driveways, paving, swimming pool surrounds, tennis courts; or
- 19.2 damage caused as a result of the contraction and/or expansion of soil as is experienced in clay and other similar types of soil; or
- 19.3 damage which existed at the commencement of the policy; or
- 19.4 damage caused by faulty design, construction or inadequate compaction, or;
- 19.5 damage caused as a result of any alterations, additions or repairs; or
- 19.6 damage caused as a result of excavations, removal or weakening of support,
- 19.7 the first 1% minimum R5 000 of any loss.

The above additional covers are subject to a geological report and survey accepted by us and all conditions and exceptions contained elsewhere in the policy.

20 Earthquake or earth tremor arising from mining operations (mining cover)

Cover provided 1.3 earthquake cover is extended to include loss or damage arising from mining operations

21 Sasria

Inclusion of this cover evidences that we have purchased cover on the insured's behalf for what is generally known as unrest, riot, strike or public disorder, which cover is more fully described in the SASRIA (South African Special Risks Insurance Association) policy document, a copy of which is available on request.

SECTION 2: BUSINESS ALL RISKS – IF STATED IN THE POLICY SCHEDULE

COVER PROVIDED

We shall indemnify the insured for loss of or damage to the whole or part of the property described in the policy schedule as a direct result of any accident or misfortune not otherwise excluded provided that the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every event.

SPECIFIC EXCEPTIONS

We are not responsible for:

- 1 loss of or damage to the property resulting from or caused by-
 - 1.1 theft from any unattended vehicle in the custody or control of the insured or any partner or director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to such locked vehicle or building is accompanied by forcible and violent entry or exit,
 - 1.2 its undergoing a process of cleaning, repairing, dyeing, bleaching, altering or restoring,
 - 1.3 inherent vice or defect, vermin, insects, damp, mildew or rust,
 - 1.4 the dishonesty of any principal partner or director or employee of the insured whether acting alone or in collusion with others,
 - 1.5 detention, confiscation or requisition by customs and excise or other officials or authorities;
- 2 wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless it is the direct result of an accident or misfortune not otherwise excluded;
- 3 mechanical or electrical breakdown, failure, breakage or derangement unless it is directly caused by an accident or misfortune not otherwise excluded;
- 4 loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
- 5 loss of or damage to goods consigned under a bill of lading.

SECTION 3: MONEY – IF STATED IN THE POLICY SCHEDULE

1 COVER PROVIDED

We shall indemnify the insured for loss of or damage to money occurring in the Republic of South Africa, provided that our liability for all loss or damage arising from all occurrences or a series of occurrences as a result of or attributable to one source or original cause shall not exceed the specific limitations stated in the schedule.

2 Definitions

- 2.1 "Money" means cash, bank and currency notes, cheques, unused postal and money orders, bills of exchange, promissory notes, current postage, revenue and other negotiable stamps, travellers cheques, securities, credit card vouchers and any documents negotiable for money at their face value. The property of the insured or for which they are responsible.
- 2.2 "Receptacle" means any safe, strongroom, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.
- 2.3 "Clothing" means clothing and personal effects not otherwise insured belonging to the insured or to any partner, director or employee of the insured.

EXTENSIONS

3 Receptacles and clothing

We will indemnify the insured in respect of receptacles and clothing (as defined) lost or damaged as a result of theft or attempted theft of money provided that our liability shall not exceed R2 000 (two thousand rand) in respect of any one event;

4 Locks and keys

We will indemnify the insured in respect of the cost of replacing locks and keys to any receptacle at the insured premises following upon the disappearance of any key to such receptacle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key provided that -

- 4.1 our liability shall not exceed R2 000 (two thousand rand) in respect of any one event;
- 4.2 we shall not be liable for the first R200 (two hundred rand) of each and every event.

5 Specific limitations

The loss of money is limited to R1 000 while not locked in a safe or strongroom;

- 5.1 while on the insured's premises outside business hours;
- 5.2 while in the residence of the insured, partner or director;
- 5.3 while in the custody of any director, partner or employee of the insured on a business trip anywhere in the world;
- 5.4 anywhere in the world;
- 5.5 while in the custody of any collector.

- 6 The loss of money while contained in a locked safe or strongroom outside business hours shall be limited according to the grading of such safe or strongroom.

GRADING	LIMIT
NO SABS CATEGORY GRADING	R2 500
SABS CATEGORY GRADING 1	R5 000
SABS CATEGORY GRADING 2	R10 000
SABS CATEGORY GRADING 3	R75 000
SABS CATEGORY GRADING 4	R150 000

Provided that our limit of liability shall not exceed the sum insured as stated in the policy.

- 7 The limit of our liability in respect of loss or damage to crossed cheques or crossed money or postal orders is limited to R100 000.

8 SPECIFIC EXCEPTIONS

We shall not be liable for loss of or damage to money-

- 8.1 arising from dishonesty of any person(s) in the employ of the insured not discovered within 14 (fourteen) working days of the occurrence thereof;
- 8.2 arising from shortage due to error or omission;
- 8.3 arising from the use of keys to any safe or strongroom unless the keys are obtained by violence or threats of violence;
- 8.4 in an unlocked safe or strongroom while the portion of the premises containing such safe or strongroom is unattended;
- 8.5 not contained in a locked safe or strongroom while the portion of the premises containing such money is unattended;
- 8.6 in any vehicle being used by the insured unless a principal partner, director or employee of the insured is actually in such vehicle provided that this exception shall not apply following an accident involving such vehicle rendering the said person incapacitated.

9 SPECIFIC CONDITIONS

- 9.1 When cash in transit exceeds R10 000 the services of a professional security company must be utilised, failing which there shall be no insurance cover under this policy.
- 9.2 We shall not be liable under this section in respect of loss or damage arising from any event in respect of which a claim is payable or would be payable but for,
 - 9.2.1 any first amount payable or;
 - 9.2.2 co-insurance clause under the fidelity section of the policy or any other fidelity insurance.

SECTION 4: FIDELITY GUARANTEE – IF STATED IN THE POLICY SCHEDULE

1 COVER PROVIDED

We shall indemnify the insured for:

- 1.1 Loss of money and/or other property, belonging to the insured or for which the insured is responsible, stolen by an insured's employee.
- 1.2 direct financial loss sustained by the insured as a result of fraud or dishonesty of an insured's employee, which results in dishonest personal financial gain for the employee concerned, provided that -
 - 1.2.1 we will not be liable for any loss which occurred more than 24 months prior to the date on which the loss is discovered;
 - 1.2.2 all losses are discovered not later than 12 months after the termination of;
 - 1.2.2.1 this section, or
 - 1.2.2.2 this section in respect of any insured's employee concerned with or involved in a loss, or
 - 1.2.2.3 the employment of the insured's employee or the last of the insured's employees concerned with or involved in a loss whichever occurs first.
- 1.3 Our liability for all losses shall not exceed the sum insured stated in the schedule whether involving any one employee or any number of employees acting in collusion or independently of each other;
- 1.4 If the period of insurance is less than 12 (twelve) months our liability is limited to the sum stated in the schedule and renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing our liability beyond the sum insured stated in the schedule.
- 1.5 The term "dishonest personal financial" gain shall not include gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotional or other emoluments.

2 Definition

- 2.1 "Employee" shall mean
 - 2.1.1 any person while employed under a contract of service with or apprenticeship to the insured,
 - 2.1.2 any person while hired or seconded from any other party into the service of the insured,who the insured has the right at all times to govern, control and direct in the performance of his work in the course of the business of the insured.

3 SPECIFIC EXCEPTIONS

- 3.1 We shall not be liable for-

- 3.1.1 loss or damage resulting from or contributed to by:
 - 3.1.1.1 any partner in or of the insured or by any director or member of the insured unless such director or member is also an employee;
 - 3.1.1.2 any employee from the time that the insured shall become aware that such employee has committed any fraud or dishonesty.

- 3.1.2 any consequential losses of any kind.
- 3.2 This section does not cover any business, enterprise, company or other legal entity acquired or in which a financial interest is acquired during the period of insurance.
- 3.3 We shall not be liable for any loss or damage if it results from the dishonest manipulation of input into, suppression of input into, destruction of or alteration of any computer program, system, data or software by an insured/employee who is employed primarily to operate or who uses the foregoing including any insured employee employed primarily in the insured's electronic data-processing department or area.

4 SPECIFIC CONDITIONS

- 4.1 The insured shall 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 his business as has been represented to the company by the insured but the insured may –
 - 4.1.1 change the remuneration and conditions of service of any employee;
 - 4.1.2 In respect of any employee who is described in the schedule by name, change his duties and position;
 - 4.1.3 in respect of any employee who is described in the schedule only by the position held by him, remove such employee and place in his position any other person who falls within the definition of employee;
 - 4.1.4 make such other changes as are approved beforehand in writing by the insured's auditors.
- 4.2 The amount payable under this section in respect of any loss or damage involving one employee or any number of employees acting in collusion shall be reduced by -
 - 4.2.1 2% (two percent) of the sum insured under this policy; plus
 - 4.2.2 a further amount of 10% (ten percent) of the net amount payable after deduction of the amount specified in 4.2.1 above. both amounts shall be borne in full by the insured and remain uninsured.
- 5 Notwithstanding the provisions of General Condition 1, knowledge in respect of any fraud or dishonesty which may have been committed by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section.
- 6 If the sum insured shall be increased at any time, such increased amount shall apply only to losses arising from an event occurring after the date of such increase.
- 7 **Accountant's clause**
Any particulars or details contained in the insured's books of accounts or other business books or documents which may be required by the company under this section for the purpose of investigating or verifying any claim hereunder must be produced and certified by the insured's auditors or professional accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.
- 8 **Extended cover for past employees extension**
Any person who ceases to be an employee shall for the purposes of this section be considered as being an employee for a period of 30 (thirty) days after in fact ceasing to be an employee.

5 MACHINERY BREAKDOWN – IF STATED IN THE POLICY SCHEDULE

- 1 **Cover Provided**
We shall indemnify the insured in respect of the;
Sudden and unforeseen fortuitous physical damage to the specified machinery provided that;
 - 1.1 we will not be responsible for the cost of any alterations or overhauls carried out on the occasion of repair or reinstatement,
 - 1.2 in case of a claim where loss or damage is confined to a part of a machine or structure, we shall only be liable for the value of that part plus the cost of any necessary dismantling and erection for which you are responsible,
 - 1.3 in the event of total loss, which shall mean when the specified machinery is not repairable, the amount payable shall be the cost of reinstatement in accordance with the reinstatement value conditions in the policy.

We will not be liable for:

- 1.4 damage to the specified machinery by any cause insured in terms of other sections of the policy or subsequent dismantling or re-erection,
- 1.5 the first R500 (five hundred rand) of each and every claim,
- 1.6 wear and tear or gradual deterioration including the gradual action of light or climatic or atmospheric conditions,
- 1.7 damage resulting from experiment, overloads or tests,
- 1.8 any amount exceeding the sum insured.

GENERAL CONDITIONS (APPLICABLE TO ALL SECTIONS OF THIS POLICY)

1 MISREPRESENTATION, MISDESCRIPTION AND NON-DISCLOSURE

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

2 OTHER INSURANCE

If at the time of any event giving rise to a claim under this policy, an insurance exists with any other insurers covering the insured against similar contingencies we shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of average this policy, if not already subject to any condition of average, shall be subject to average in like manner.

3 CANCELLATION

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

4 CLAIMS PREPARATION AND REQUIREMENTS

- 4.1 Where an event gives rise to or is likely to give rise to a claim, the insured must within 30 days of the event notify us and provide us with;
- 4.1.1 details of any other insurance covering the event;
 - 4.1.2 written details of the loss;
 - 4.1.3 proof, information and sworn declarations we may require
 - 4.1.4 any document, legal process or communication received in connection with the event;
 - 4.1.5 immediately inform the police and any claim involving an accident, theft or loss of property and take all reasonable steps to establish the identity of the guilty party and to recover the property;
 - 4.1.6 no admission, statement, offer, promise, payment or indemnity may be made by you without our written consent;
 - 4.1.7 No claim will be payable after the expiry of twelve months from the happening of the event unless;
 - 4.1.7.1 the claim is subject to pending legal action;
 - 4.1.7.2 the claim is for indemnity in respect of sums which you may become legally liable to pay.
- 4.2 the insured must provide us with plans, specifications and quantities as we may require.
- 4.3 If we disclaim liability for any claim made or to be made under this policy, we will be relieved of all liability unless the claim is the subject of legal proceedings which must commence within 30 days of such disclaimer.
- 4.4 We shall be entitled to the happening of any loss or damage to the insured property:
- 4.4.1 to enter the property where the loss or damage has occurred;
 - 4.4.2 to take and keep possession of the property provided that you may not abandon any property without our written consent;
 - 4.4.3 to deal with the salvage;
 - 4.4.4 to undertake in your name the conduct, control and settlement of any proceedings and to recover compensation or secure indemnity from any third party in respect of the event.
- 4.5 Only the insured/legal entity and/or cessionary is entitled to rights and have the right to use your name for this purpose claim under this policy.

5 CLAIMS PREPARATION COSTS

The insurance by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company in terms of general condition 4 or to substantiate the amount of any claim, provided that our liability for such costs in respect of any one claim shall not exceed R10 000.

6 FRAUD

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

7 BREACH OF CONDITIONS

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

8 NO RIGHTS TO OTHER PERSONS

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

9 PAYMENTS ON ACCOUNT

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

10 MEMBERS

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

11 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.

12 MEANING OF WORDS

The schedule(s) and any endorsement(s) thereto and the policy wording shall be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning in wherever it may appear.

13 PUBLIC AUTHORITIES

The insured shall exercise all reasonable precautions including compliance with Public Authorities's requirements;

13.1 for the maintenance and safety of the insured property;

13.2 to limit the extent of any loss or claim arising from any of the insured contingencies.

14 AVERAGE

If the replacement value of the insured property exceeds the sum insured, the insured shall be considered as being your own insurer for the difference, and shall bear a rateable proportion of any loss accordingly.

15 LEGAL ACTION

Any legal action in relation to this policy shall be brought in any court of competent jurisdiction in the Republic of South Africa.

16 WATCHMAN EXTENSION

We will indemnify for the costs reasonably incurred in employing watchmen following an event which is covered in terms of this policy and which may give rise to a claim limited to R5 000 for each and every claim

GENERAL EXCEPTIONS

1 War, riot and terrorism

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

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

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

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

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

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

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

2 Nuclear

- (i) This policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:
 - (a) ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waster from the combustion or use of nuclear fuel;
 - (b) nuclear material, nuclear fission or fusion, nuclear radiation;
 - (c) nuclear explosives or any nuclear weapon;
 - (d) nuclear waster in whatever form;

regardless of any other cause or event contributing concurrently or in any other sequence to the loss. For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.

3 Asbestos exclusion

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