

Broadform Homeowners Insurance Policy

Building
Insurance
Specialists



CIA

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BROADFORM HOMEOWNERS INSURANCE POLICY

THE CONTRACT

This **policy** is a contract between **you** and **us**. The Insurer is referred to as **we, us** or **our**, and the Insured is referred to as **you, your** or **yours**.

Some words with special meanings are shown in **bold italic**. These words are defined. Some apply to all sections and appear under General Definitions and others apply to specific sections only and are defined in each section. Words that are not specifically defined in this policy have the meaning ordinarily attributed to them.

Unless stated to the contrary the singular includes plural and vice versa. One section may not be used to interpret another section.

Details of the Insurer, the Underwriting Manager and **your** broker are shown in the **schedule**.

This document contains the following important information in each policy section:

- The definitions and meanings of certain important words.
- What **you** are covered for.
- What cover is limited.
- What **you** are not covered for.
- How **we** settle claims.

There are General **Exclusions**, Conditions and Provisions, and Claims Procedures which are applicable to all sections of the **policy** and Specific **Exclusions** and Conditions applicable to the individual **policy** sections that must be adhered to in order for **you** to enjoy cover.

The contract is based on the information provided by **you** when **you** applied for this insurance, and any information which **you** have supplied since then.

If **you** require any further information about this insurance or need anything explained in more detail, please contact **your** broker.

OUR AGREEMENT WITH YOU

Subject to **you** having paid the premium and if **you** comply with all the terms and conditions of this **policy**, **we** will provide **you** with the cover as set out in this **policy** up to the **sums insured** or **limits of indemnity** specified in the **schedule**.

The cover will start and end on the dates shown in the **schedule**.

GENERAL DEFINITIONS - RELATING TO ALL SECTIONS

BUILDING

Means the private dwelling and all domestic outbuildings thereto, constructed of brick, stone, concrete or metal on metal framework, roofed with slate, tile, concrete, asbestos or metal (referred to as standard construction in the *schedule*) or any other material specifically stated in the *schedule*, and anything else permanently built, constructed or installed on *your* property that *you* own or are legally responsible for, at the *situation* stated in the *schedule*.

However, *building* does not include:

- dam walls;
- hedges;
- above-ground portable swimming pools;
- mobile air-conditioning units;
- gardens, plants, lawns, trees, gravel, pebbles, rocks, stones, soil, sand, bark or mulch except as covered under Extra Cover Following Damage – Landscaped Gardens on page 9;
- any property belonging to tenants or for which the tenant is responsible in terms of a written lease agreement
- unfixed/movable floor coverings, curtains and window coverings;
- a new building under construction.

EMPLOYEE

Means any person employed by *you* in terms of a written contract of service or apprenticeship.

EXCESS

Means the first amount payable by *you* or deducted by *us* in the event of a valid claim.

INSURED PROPERTY

Means the *building* and other specified items at the *situation* shown in the *schedule*.

LIMIT OF INDEMNITY

Means the most *you* can claim for any one incident, or in any one annual *period of insurance*, where so indicated. The amount is shown against the item in the *schedule* as the Limit of Indemnity.

PERIOD OF INSURANCE

Means the period for which *you* have cover as stated in the *schedule* and any successive period for which *we* agree to accept a renewal premium.

POLICY

Means this document and the most current *schedule* which may be in electronic or printed format.

SCHEDULE

Means the current attachment to this **policy** which shows the **situation**, the sections and benefits applicable, **sums insured, limits of indemnity, excesses** applicable and the premium payable. **You** will be provided with a schedule when **you** first take out **your** insurance and again whenever this **policy** is changed or renewed.

SITUATION

Means the physical address shown in the **schedule** where the **building** is located.

SUM INSURED

Means the maximum amount **you** can claim for any one incident. The amount is shown against the item or cover description in the **schedule** as the Sum Insured.

WE, US, OUR

Means the Insurer named in the **schedule**.

YOU, YOUR AND YOURS

Means the person, company or legal entity shown in the **schedule** as the Insured.

SECTION A – BUILDINGS

SPECIFIC DEFINITIONS APPLICABLE TO THIS SECTION ONLY

DAMAGE

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

INDEMNITY VALUE

Means the current value of the **building**, taking into consideration age, wear and tear, depreciation and condition at the time of the **damage**.

SALVAGE VALUE

Means the amount for which an asset can be sold at the end of its useful life. This term refers to the scrap value of damaged property.

TOTAL RECONSTRUCTION COST

Means the costs of reconstruction of the **building** with new materials; plus the following additional costs:

- professional and municipal fees;
- demolition charges;
- debris removal;
- securing the site;
- compliance with current national or local building or other regulations;
- VAT.

VACANT

Means either untenanted, unfurnished (whether tenanted or not), empty or no longer in active use.

Also refer to the General Definitions relating to all sections on page 4.

WHAT YOU ARE COVERED FOR

We will pay for the repair or replacement of the **insured property** resulting from **damage** which is not excluded in this section or is not excluded under the General Exclusions occurring during the **period of insurance**.

We may, at our discretion, choose to:

- a) rebuild, replace, restore or repair the damage; or
- b) settle **your** claim in cash; or
- c) any combination of the above.

We will also pay the reasonable and necessary costs incurred for:

- a) demolishing the **building**;
- b) removing rubble and erecting hoardings;
- c) temporary repairs and making the **building** safe;
- d) professional fees for estimates, plans, specifications, quantities, tenders and supervision incurred in the reinstatement or replacement of the **building**, limited to 15% of the **sum insured** of the damaged **building**. **We** will not pay these fees for preparing any claim under this policy;
- e) inspection fees of local authorities.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

SUBSIDENCE AND LANDSLIDE

We will pay for **damage** as a result of subsidence or landslide which is not excluded in this section, refer to pages 15 and 16 or is not excluded under the General Exclusions occurring during the **period of insurance**.

Refer to page 16 and 17 for the additional **Specific Exclusions** relating to Subsidence and Landslide.

SPECIFIC CONDITIONS

AVERAGE

If the **total reconstruction cost** is more than the **sum insured** as shown in the **schedule**, **we** will not pay the full amount of **your** claim. **We** will calculate the difference between the **total reconstruction cost** and the **sum insured** and apply this proportionately to **your** claim. **You** will be responsible for the difference (uninsured portion of the claim).

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

Also refer to the General Conditions and Provisions relating to all sections on page 30.

EXTRA COVER FOLLOWING DAMAGE

The following Extra Cover is included, in addition to the **sum insured** and free of any **excess**, following a valid claim for **damage** to the **insured property**. Where the Extra Cover refers to an amount or percentage that **we** will pay, this will be shown in the **schedule**.

ARSON, THEFT, VANDALISM OR MALICIOUS DAMAGE REWARD

We will pay a reward for information leading to the conviction of any person for arson, theft, vandalism or malicious damage in connection with **damage** covered by this section. **We** will pay the reward to the persons providing such information and the payment will be apportioned in such manner as **we** may decide.

The most **we** will pay is the **sum insured** as shown in the **schedule**, irrespective of the number of people providing such information.

CAPITAL ADDITIONS

We will increase **your sum insured** by a maximum of 15%, for additions, alterations and improvements to the **insured property** during the **period of insurance**. **You** undertake to advise **us** each quarter of such alterations, additions and improvements, and to pay the appropriate additional premium on such capital additions.

EMERGENCY ACCOMMODATION

We will pay the reasonable costs of alternative emergency accommodation if an owner of the private dwelling cannot occupy the dwelling following:

- a) **damage** to the dwelling to the extent that it is not habitable; or
- b) **damage** to other property within a 10km radius of the **building** which prevents access to the **situation**.

The most **we** will pay per day and in total is shown in the **schedule**.

We will not pay these costs if:

- a) this is not the owner's principal place of residence;
- b) there is any other insurance that provides cover for alternative accommodation.

ESCALATION OF THE SUM INSURED

The **sum insured** of the **building** will be increased as follows:

- a) from the inception or renewal date of this **policy**, in proportion to the period the insurance has been in force, by the percentage that is specified against "Current insurance period" in the **schedule**.
- b) on the occurrence of any **damage**, the **sum insured**, as at the time of the loss, will be increased by the percentage that is specified against "Further reinstatement period" in the **schedule**.

FIRE EXTINGUISHING CHARGES

We will pay the reasonable costs and expenses incurred by **you** for the purpose of:

- a) extinguishing a fire at the **situation**, including fire brigade charges;
- b) extinguishing a fire that threatens to cause **damage** to the **insured property**;
- c) replacement of used sprinkler heads, the resetting of fire and smoke alarms and refilling of the fire extinguishing appliances used to extinguish the fire.

GENERATOR HIRE

If, in the event of **damage** to any electrical reticulation installed on the **insured property**, it becomes necessary to hire a generator (including power connecting cables and reticulation) in order to continue to provide electrical power to the **insured property** as it existed prior to the **damage**, then **we** will pay for the reasonable hire costs, but only for the period necessary to repair or replace the electrical reticulation.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

HOME MODIFICATIONS FOLLOWING DISABILITY

Should **you** or a member of **your** immediate family permanently living with **you**, become permanently disabled as a direct result of **damage** to the **building**, **we** will pay the reasonable cost for the **building** to be modified so that it is better suited to **your** changed needs.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

LANDSCAPED GARDENS

We will pay the reasonable cost for the repair of landscaped gardens following **damage** by fire, fire fighting operations, explosion, impact by vehicles, aircraft or other aerial devices or articles dropped from them.

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 **schedule**.

LOSS OF RENT AND ALTERNATIVE ACCOMMODATION

We will pay, subject to the **amount payable limitation** and average, if:

- a) **your building** is **damaged** to the extent that it is not habitable; or
- b) access to **your building** is prevented due to **damage** to other property within a 10km radius of the **situation**;

but only for the period necessary for the completion of repairs or reconstruction or until reasonable access has been restored.

We will pay the actual amount of rental lost if:

- **your building** is leased to a tenant in terms of a signed lease agreement; or
- in the absence of a signed lease agreement, **you** can provide positive proof of rental income; or

- **you** can prove and provide a signed agreement that the **building** would have been leased out.

If the **building** is owner-occupied, **we** will pay the reasonable rent payable of equivalent unfurnished alternative accommodation.

We will also pay the reasonable costs to remove, store and return any undamaged household contents of owner-occupied dwellings, **if not otherwise insured**. The most **we** will pay is the **sum insured** as shown in the **schedule**.

AMOUNT PAYABLE LIMITATION - in respect of Loss of Rent

The most **we** will pay under this Extra Cover is limited to the percentage of the **sum insured** applicable to the **building**, as shown in the **schedule** before **escalation** of the **sum insured** has been applied.

The amounts payable will be reduced by any amount payable by any other insurance policy covering the same event.

This Extra Cover will not apply if:

- a) **you** do not intend to repair or rebuild the damaged **insured property**;
- b) there is rent outstanding or **your** tenants have absconded without paying rent.

AVERAGE

If average applies to the claim for **damage** to the **building**, the amounts payable under this Extra Cover will be reduced by the same proportion.

PETS

If **your** private dwelling is **damaged** to the extent that it is not habitable, **we** will pay the reasonable cost to board pets or security dogs.

We will only pay if:

- a) temporary accommodation does not allow pets;
- b) the pet is owned by **you**;
- c) the pet is usually kept at the **situation**;
- d) the dwelling is used as a primary place of residency.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

REMOVAL OF TREES

We will pay the reasonable cost to remove and dispose of trees and branches that have fallen onto and caused **damage** to the **insured property**.

We will not pay for the removal or disposal of tree stumps or roots.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

SECURITY GUARDS

We will pay the reasonable costs of employing temporary security guards to safeguard the **insured property**, if:

- a) the costs are necessary to prevent further **damage**;
- b) the security of the **insured property** is compromised due to the **damage**.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

UNDAMAGED MARBLE, GRANITE AND SIMILAR FRAGILE COUNTER TOPS

If it is necessary to remove an undamaged counter-top to effect repairs following **damage** and the counter top is damaged in the process, **we** will pay the reasonable cost for it to be replaced.

WATER REMOVAL AND DEHUMIDIFYING

We will pay the reasonable costs incurred without **our** consent, for the removal of water and dehumidification of the **building** following **damage** caused by water.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

EXTRA COVER

The following Extra Cover is included without the deduction of an **excess**. Where the Extra Cover refers to an amount that **we** will pay, this will be shown in the **schedule**.

BUILDING MATERIALS AWAITING INSTALLATION

We will pay for **damage** to uninstalled building materials at the **situation** intended to be used for repair, alteration, renovation or additions to the **building**.

We will not pay for:

- a) soil, sand, gravel or similar materials;
- b) **damage** to materials in the open (other than materials designed to exist or operate in the open);
- c) theft, unless the materials are in a locked and fully enclosed building at the site;
- d) materials insured under a Contractors All Risks, or similar policy, or where a contractor is required to take out insurance cover.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

COVER BEFORE PROPERTY TRANSFER

If **you** have signed a legal agreement to purchase a new building and **you** have advised **us** about **your** purchase, and **you** have paid **us** the premium that is due, **we** will cover the new building between the time of signing the legal agreement and the transfer of the property into **your** name at the Deeds Office.

This cover will not apply if the building is insured by the seller or on the seller's behalf.

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 the **sum insured** as shown in the **schedule**.

LOSS OF WATER

We will pay the additional charges for loss of water caused by leaking, broken or burst water pipes if the quarterly water usage reading exceeds the average of the last four quarterly readings by 50% or more.

We will pay the actual cost of these additional metered water charges up to the **sum insured** as shown in the **schedule**.

We will not pay for loss of water:

- a) caused by leaking taps, geysers, toilet systems, storage tanks or swimming pools;
- b) caused by leaking inlet or outlet pipes of a swimming or other pools, ponds, or for the cost of refilling or topping up thereof;
- c) if the **insured property** is left **vacant** for more than 31 consecutive days;
- d) as a result of a deliberate act by **you** or any person acting on **your** behalf;
- e) if **you** fail to take immediate action to minimise the loss as soon as **you** become aware of it.

MEDICAL, TRAUMA AND FUNERAL COSTS

If **you** employ a watchman or gardener, permanently or otherwise, for the purposes of safeguarding or maintaining the **insured property**, and such a person is the victim of an unlawful physical assault while in the course and scope of his/her employment, then **we** will pay **you** on behalf of such **employee** or **employee's** estate for the following:

- a) all reasonable medical costs and expenses, including ambulance and hospital fees;
- b) reasonable psychological counselling necessitated by such unlawful physical assault;
- c) reasonable funeral expenses following the death of the **employee** directly caused by the unlawful physical assault and occurring within three months of such unlawful assault.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

PUBLIC SUPPLY OR MAINS CONNECTIONS

We will pay the reasonable costs of repairing or replacing **damaged** water, sewerage, gas, electricity or telephone connections, if **you** are responsible for these connections, between the **insured property** and the public supply.

REPLACEMENT OF LOCKS, KEYS, TAGS AND REMOTE CONTROL ACCESS DEVICES

We will pay the reasonable cost of replacement of locks, keys, tags and remote access devices of the **building** that are stolen by forcible and violent means.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

TEMPORARY REMOVAL

We will pay if the **insured property** is **damaged** while it is temporarily removed to any other premises within the Republic of South Africa.

The most **we** will pay is the amount **we** would have paid had the damage occurred at the **situation**.

TITLE DEEDS

We will pay the reasonable cost of preparing new title deeds to **your** land or **building** at the **situation** if the title deeds are **damaged**.

The most **we** will pay is the **sum insured** as shown in the **schedule**.

OPTIONAL EXTRA COVER

ENVIRONMENTAL UPGRADE - (If stated to be included in the **schedule**)

If a claim for **damage** to the **building** has been accepted by **us** and **you** elect to repair or replace it with more environmentally friendly technology, products or materials that will improve energy and water efficiency, **we** will pay the amount **we** would have paid to repair or replace the damaged **building** using materials similar to the original, plus an additional amount shown in the **schedule**.

We will not pay for the extra cost incurred:

- a) 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;
- b) in respect of any **damage** excluded by this section;
- c) connected with any undamaged parts of the **building**.

If average applies to the claim for **damage** to the **building**, the amount payable will be reduced by the same proportion.

The most **we** will pay is the **sum insured** of the affected **building** as shown in the **schedule**, plus the additional amount.

LIMITATIONS TO THE COVER

In some instances, **we** are limiting the cover **we** provide and in other instances the amount **we** will pay.

BUILDING ADDITIONS, EXTENSIONS OR ALTERATIONS

If the **building** is undergoing any addition, extension or alteration, **we** will not pay for the following in respect of that section of the **building** being worked on:

- a) cracking, collapse, subsidence or **damage** arising directly or indirectly from the construction work;
- b) **damage** caused by, or due to the presence or actions of, workmen onsite;
- c) **damage** caused by water entering the **building** through openings in the walls or roof (even if they were temporarily secured or covered), or other unfinished parts of the **building**;
- d) **damage** caused by storm, wind, water, hail or snow, unless the **building** is completely roofed and all external windows and doors are fitted;
- e) theft, malicious damage or vandalism;
- f) **damage** to glass and sanitary ware.

FLOOR COVERINGS

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.

TEXTILE AND FABRIC AWNINGS AND COVERINGS

Where **damage** is caused by wind, storm, hail or snow, **we** will only contribute 50% towards the replacement cost of damaged textile and fabric awnings and coverings, forming part of the **insured property**, if such items are 10 or more years old.

VACANT BUILDINGS

If the **building** becomes **vacant** during the **period of insurance**, **you** shall become a co-insurer with **us** in respect of **damage** that is caused by theft or malicious intent; and **you** shall bear a rateable proportion of any damage equal to 20% of the claim, before the deduction of any **excess**.

If the **building** remains **vacant** for more than 31 consecutive days, there is no cover for **damage** caused by theft or malicious intent in respect of the **vacant building**. Refer to Specific Exclusion 1 q) on page 15.

SPECIFIC EXCLUSIONS - WHAT YOU ARE NOT COVERED FOR

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) cracking or collapse of the **insured property** unless caused by **damage** not otherwise excluded;
 - b) inherent vice, latent defect, defective design, defective workmanship, structural defects, defective construction or defective material or lack of maintenance and the cost of maintenance of the **insured property**, or any other failure to keep the **insured property** in a good state of repair;
 - c) interference with, or removal of, or weakening of support of the **building**;
 - d) settlement, shrinkage or expansion, creeping, heaving and vibration;
 - e) contraction or expansion of clay and similar soil types due to its moisture or water content;
 - f) excavations on or under land, other than excavations in the course of mining operations;
 - g) domestic pets, nonhuman primates, birds, vermin, or insects;
 - h) gradual deterioration and gradually operating causes occurring over a period of time, including decay and wear and tear;
 - i) seepage, rust, oxidation, corrosion, deforming, distortion, contamination, pollution, changes in humidity or temperature, concrete or brick cancer, fraying and fading;
 - j) mildew, mold, disease, fungus, wet or dry rot, damp, rising damp, a change in the underground water table, erosion or change in color;
 - k) change in texture or finish, staining, denting, chipping, marring, scratching or cracking, unless it affects the operation of the item;
 - l) any process of cleaning, bleaching, dyeing, testing, experimenting, restoring, manufacturing, servicing, altering, refurbishing, repair, renovation, or construction;
 - m) any process involving the application of water;
 - n) welding, grinding, cutting, shaping or the application of tools to the **insured property** unless it results in ignition;
 - o) the invasion of vegetation, including but not limited to: trees, grass, shrubs and roots;
 - p) the leakage or discharge of chemicals, oils, fluids, gases or fumes (except the sudden and unforeseen escape of oil from oil-fired heating installations forming part of the **building** or **damage** caused by the leakage or discharge from fire extinguishing installations/appliances);
 - q) theft or malicious intent if the **building** is **vacant**, or if during the **period of insurance**, the **building** becomes **vacant** for more than 31 consecutive days. If a part of the **building** is or becomes **vacant** then that part of the **building** will be regarded as a separate **building** for the purpose of this exclusion;
 - r) detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process;
 - s) failure of, the deliberate withholding of, or the lack of supply of: water, steam, gas, electricity, fuel or refrigerant;
 - t) any dishonest act, fraudulent scheme, trick, device or false pretence practiced on **you**;
 - u) theft or neglect by tenants.

2. **We** will not cover damage to:

- a) retaining walls caused by storm, wind, water, hail or snow, unless **we** specifically agree to include it and **we** have received proof before the happening of an event, that the wall was designed and constructed in accordance with a professional Structural Engineer's design specifications;
- b) **buildings** or sections of **buildings** undergoing demolition;
- c) solar geysers or hybrid 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 waterproofing material caused by storm, wind, water, hail or snow, where the waterproofing material has not been fully bonded to a screed or concrete surface, or any other material specifically stated in the schedule or which has not been applied and maintained in accordance with the manufacturer's specifications.

3. **We** will not pay for:

- a) the lifting or cracking of tiles and floor coverings, caused by changes in temperature or the incorrect application of tile cement; inadequate tile cement; incorrect expansion gaps or poor building practices;
- b) consequential loss or damage of any kind whatsoever, except to the extent specifically provided for under Loss of Rent and Loss of Water;
- c) the cost of repairing leaking pipes, taps, waste pipes, sewers, shower bases, basins, baths, ornamental ponds, Jacuzzi's, hot tubs, spa baths and swimming pools; nor will we pay for the cost of repairing the damage caused by accessing the leaks, unless caused by **damage** not otherwise excluded;
- d) the unblocking of waste and sewer pipes;
- e) accidental damage to glass for which **your** tenant is responsible in terms of a lease agreement;
- f) the defacement or damage to glass other than fracture through the entire thickness of the glass or any laminate thereof;
- g) any loss or damage arising from or connected to a cause which existed prior to the commencement of this **policy**;
- h) chipped, broken or lifted tiles, pavers or surrounds of swimming pools and spas;
- i) the repair of **damage** covered by any guarantee, service contract, purchase contract or any purchase agreement;
- j) damage, as defined and provided for under Section B – Geyser Maintenance, to geysers.

SUBSIDENCE AND LANDSLIDE

If **damage** is caused by subsidence or landslide, irrespective of the cause of such subsidence or landslide, the following additional exclusions apply:

1. **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;

2. **We** will not pay for damage caused by, attributed to, or resulting from:

- a) leaking taps, leaking pipes or leaking swimming pools;
- b) insufficient compacting of filling, the settlement or movement of made up ground;
- c) coastal or river erosion;
- d) workmen engaged in making any structural alterations to any building.

3. **We** will not pay for:

- a) work necessary to prevent further destruction or damage due to subsidence or landslide, nor will **we** pay for the cost of underpinning the foundations.

In any action, suit or other proceeding where **we** allege that, because of the provisions of the Subsidence and Landslide exclusion, any **damage** is not covered by this **policy**, **you** will have to prove the contrary.

Also refer to the [General Exclusions](#) relating to all sections on page 27

HOW WE SETTLE CLAIMS

REINSTATEMENT AND REPLACEMENT

We will pay the reasonable cost of rebuilding or repairing the **damage** to the **building** to the same condition, but not better or more extensive than when it was new. If **we** pay to rebuild, **you** may do so on a different site, provided the amount **we** pay is not increased.

If the **building** has any architectural features or structural materials possessing an ornamental, historical or heritage character, or for which the original materials are not available, **we** will rebuild or restore the **building** to an equivalent appearance and capacity, using the original design and the nearest equivalent materials.

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**.

We will limit **our** payment to the **indemnity value**, not exceeding the **sum insured** of the **building**, if:

- a) **you** fail to notify **us** within six months of the date of the damage, or such further time as **we** may allow in writing, of **your** intention to replace or reinstate the **building**;
- b) **you** are unable or unwilling to replace or reinstate the **building** on the same or another site.

We will only pay **you** the **salvage value**, not exceeding the **sum insured**, of the damaged building materials in respect of **buildings** awaiting demolition.

EXTRA COST OF REINSTATEMENT

If a claim for **damage** has been accepted by **us**, **we** will include such additional costs of repairing or rebuilding the damage, incurred because of the necessity to comply with current building or other regulations under, or framed in pursuance of, any act of parliament or ordinance of any provincial, municipal or local authority.

We will not pay for the extra cost incurred:

- a) if the **building** was required to comply with these regulations before the **damage** occurred and did not do so;
- b) for which there is an existing requirement which has to be implemented within a given period;
- c) in respect of any **damage** excluded by this section;
- d) in respect of or connected with any undamaged parts of the **building**.

If average applies to the claim for **damage** to the **building**, the amount payable will be reduced by the same proportion.

The most **we** will pay is the **sum insured** of the affected **building** as shown in the **schedule**.

MORTGAGEE

If the interests of any bank or other financial institution have been noted in the **schedule**, **we** will pay that financial institution to the extent of their interest in the **insured property**; namely the amount which is due to them, or the **sum insured** as shown in the **schedule**, whichever is the lesser.

If **you** act, or fail to act, in a way that may make this **policy** invalid, the interest of the bank or financial institution will not be affected if the following conditions are met:

- a) the bank or financial institution did not know about **your** act or failure to act;
- b) the bank or financial institution tells **us** about the act or failure to act as soon as they become aware of it; and
- c) the bank or financial institution pays the additional premium due.

PAIRS, SETS, SYSTEMS AND COLLECTIONS

We will 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.

TENANTS

This **policy** will not be invalidated by any act or neglect on the part of a tenant, provided that:

- a) **you** did not know and could not reasonably have been expected to know that the tenant, acted or omitted to act, in a way that may invalidate this **policy**;
- b) **you** tell **us** as soon as **you** become aware of such actions or omissions;
- c) **you** pay the appropriate additional premium.

Also refer to the General Conditions and Provisions, and General Claims Procedures relating to all sections on pages 30 and 36.

SECTION B – GEYSERS

SPECIFIC DEFINITIONS APPLICABLE TO THIS SECTION ONLY

DAMAGE

Means the physical damage or destruction of the **geyser** caused by bursting or rupturing; or the non-functioning of the **geyser** directly or indirectly caused by or attributable to or arising from: leaking, overflowing, rust, decay, gradual deterioration, wear and tear, cracking or splitting.

ELECTRICAL GEYSER

Means a **geyser** that uses a standard electrical element to heat water with a capacity of 300 litres or less.

GEYSER

Means any system or device used solely for the heating of water including all its components and piping within one metre from the system or device.

SOLAR COLLECTORS

The tubes or flat panels that absorb solar radiation for the heating of water.

Also refer to the General Definitions relating to all sections on page 4.

WHAT YOU ARE COVERED FOR

GEYSER REPAIR AND REPLACEMENT

We will pay for the reasonable cost of repair or replacement of the **geyser** resulting from **damage** which is not **excluded in this section or excluded under the General Exclusions** occurring during the **period of insurance**.

EXTRA COVER

ENVIRONMENTAL UPGRADE

If a claim for **damage** to the **geyser** has been accepted by **us** and **your damaged geyser** is an **electrical geyser** and **you** choose to replace it with a solar geyser, hybrid solar system, heat pump, induction heating geyser or gas water heater, **we** will pay the amount **we** would have paid to replace the **damaged geyser** plus an additional amount shown in the **schedule**.

The most **we** will pay is the **sum insured** for the **geyser** as shown in the **schedule**, plus the additional amount.

SPECIFIC EXCLUSIONS - WHAT YOU ARE NOT COVERED FOR

We will not pay for:

- a) **damage** directly or indirectly caused by, or attributable to, or arising from: faulty or defective design, installation or workmanship; the deliberate failure of, the withholding of, or the lack of supply of water, gas, electricity or fuel;
- b) consequential loss of any kind whatsoever;
- c) any item forming part of the **geyser** and attachments that is covered by any guarantee or warranty;
- d) the cost to attend to:
 - i. ripple relays;
 - ii. faulty circuit breakers;
 - iii. tripped isolator switch;
 - iv. tripped earth leakage;
 - v. tripped **geyser** mains;
 - vi. leaking pipes more than one metre from the **geyser**;
 - vii. solar geysers not heating up or which are too warm, due to weather conditions;
- e) **damage** to solar geysers or hybrid solar systems due to the build-up of lime scale;
- f) **damage** directly or indirectly caused by the failure to do follow-up maintenance or preventative maintenance as prescribed by the manufacturer, including the replacement of the anti-freeze substance in **solar collectors**, where required;
- g) any cost associated with maintenance services required by the manufacturer of the **geyser**;
- h) repairs and other costs associated with obtaining an Electrical Compliance Certificate;
- i) **damage** to **geysers** which are not approved and installed in accordance with the relevant standards of SANS at the relevant time of installation.

Also refer to the **General Exclusions**, General Conditions and Provisions, and General Claims Procedures relating to all sections on pages 27, 30 and 36.

SECTION C – LIABILITY

SPECIFIC DEFINITIONS APPLICABLE TO THIS SECTION ONLY

COSTS

Means damages and the claimant's costs and expenses **you** are legally liable to pay-

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 or series of events that result in **personal injury** or **property damage**, or both. If an event gives rise to more than one claim, then all such claims will be deemed to have arisen from the same occurrence.

PERSONAL INJURY

Means:

- a) death, bodily injury or illness of any person;
- b) wrongful eviction, wrongful entry or other invasion of privacy.

PROPERTY DAMAGE

Means physical loss of, or physical damage to or destruction of, tangible property.

RETROACTIVE DATE

Means the date 36 months immediately prior to either the inception date of this **policy** or 1 October 2016, whichever is the later date.

VEHICLE

Means any self-propelled land vehicle and any trailer, semi-trailer or caravan whilst attached thereto (including any machinery or apparatus attached thereto). **It does not include wheelchairs, garden appliances or maintenance equipment that does not require registration by any legislation or competent authority.**

WATERCRAFT

Means any vessel or craft designed for use on or in water.

Also refer to the General Definitions relating to all sections on page 4.

WHAT YOU ARE COVERED FOR

We will pay the **defence costs** incurred and **costs** following an **occurrence**. The **occurrence** that results in a claim must occur during the **period of insurance** in, on or about the **insured property** and must arise from **your** ownership thereof.

The most **we** will pay for any **occurrence** is the **limit of indemnity** shown in the **schedule** at the time of the **occurrence**. If the **occurrence** takes place over more than one **period of insurance**, or gives rise to more than one claim, **we** will only pay the amount shown in the **schedule** once in respect of each **occurrence** (regardless of the number of claims that arise from the **occurrence**).

EXTRA COVER

COVER FOR OTHERS

Provided that they observe, fulfil and are subject to the terms, conditions and exclusions of the **policy**, **we** will also cover as though these were **you**, any of **your** partners, directors or **employees** (such persons), but **we** will only cover these for liability incurred by them while acting within the scope of their duties in such capacity and provided that:

- a) **you** request **us** to do so;
- b) **we** will not be liable for more than the **limit of indemnity**.

For the purposes of this Extra Cover, **we** waive all rights of subrogation which **we** may have, or acquire against, any such persons.

EMERGENCY MEDICAL EXPENSES

We will pay 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.

PRIOR ACTS COVERAGE

If, immediately preceding the inception date of this **policy**, **you** had a policy providing for the payment of claims brought against **you** during the period of insurance of that prior policy, the cover provided under the heading "**What you are covered for**" of this section, is extended to include **defence costs** incurred and **costs** in connection with an **occurrence** which happened in, on or about the **insured property** and arising from **your** ownership thereof, on or after the **retroactive date** and which results in a claim first being made against **you** in writing during the **period of insurance**.

In relation to the Prior Acts Coverage, the following is added to the **Specific Exclusions** of this section:

We will not pay claims arising from, or in respect of any **occurrence**:

- a) where, during the 36 months period after the **retroactive date**, there was in existence a policy providing for the payment of claims arising out of events that occurred during the policy period or where there was no policy at all;
- b) 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**;
- c) that had been reported to any other insurer and for which cover is provided for by the other insurer;
- d) that is covered under an extended reporting period provision of any prior Liability policy;
- e) that was not covered under an otherwise valid prior policy, or where the limits of indemnity were insufficient or exhausted, or where the amount of the claim was within that first part of the claim for which **you** were responsible.

All other terms and conditions of this section remain unchanged and the **limit of indemnity** is not increased or reinstated by this Extra Cover.

PROPERTY OF EMPLOYEES AND VISITORS

Specific exclusion c) shall not apply to property belonging to any **employee** or to any visitor to the **situation**.

SECURITY FIRMS

If, in terms of a written contract with a security company engaged to protect the **insured property, you** become legally liable for the acts or omissions of the employees of the security company in the course of protecting the **insured property**, then **we** will pay the **defence costs** incurred and **costs**, arising from an **occurrence**.

If, at the time of an **occurrence**, the security firm is insured for the same event, **we** will not be liable to make any payment, except for any amount above the amount payable by such other policy.

The **limit of indemnity** for this extra cover will be limited to R 1,000,000 in any one annual **period of insurance**.

WRONGFUL ARREST AND DEFAMATION

We will pay the **defence costs** incurred and **costs** for **your** liability to any person resulting from the wrongful arrest, defamation or frisking of a person, including assault related to the wrongful arrest or frisking, during the **period of insurance**.

The most **we** will pay is R 75,000 for any one event and limited to R 150,000 in any one (annual) **period of insurance**.

SPECIFIC EXCLUSIONS - WHAT YOU ARE NOT COVERED FOR

We will not pay claims arising from, or in respect of:

- a) **personal injury** to, or damage to property belonging to, any member of the same household or member of **your** family;
- b) **personal injury** to any **employee**, partner or director of **yours** where such injury arises from and in the course of such employment, partnership or directorship;
- c) **property damage** to property that belongs to **you**, for which **you** are responsible or which is in **your** custody or control or in the custody or control of **your employees**;
- d) **property damage** caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure;
- e) liability assumed by any agreement or contract **you** entered into. If **you** would have been liable if there was no agreement or contract, **we** will pay the **defence costs** and **costs**;
- f) any ownership, possession, maintenance, repair, operation or use by **you** or on **your** behalf of any facilities at the **situation** that are used for commercial purposes;
- g) any business, profession, trade, activity for reward or occupation carried on by **you** other than the managing of the **building** and its surrounds;
- h) anything that **you**, or anyone acting for **you**, deliberately caused;
- i) the demolition, construction, renovation or addition to the **building**;
- j) penalties, fines or awards of aggravated, exemplary, vindictive or punitive damages made against **you**;
- k) **personal injury** or **property damage** directly or indirectly caused by seepage, pollution or contamination, including the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances. Provided always that this will not apply where the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence happening during the **period of insurance**;
- l) **your** ownership of, or the use by or on **your** behalf, of any **vehicle**, or **watercraft**;
- m) **your** use, operation, maintenance, ownership, hire, leasing or possession of any aircraft, airstrip or helicopter pad or the refuelling of aircraft;
- n) 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.

In respect of this section only, **General Exclusion 8** is deleted and replaced by the following:

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

Also refer to the **General Exclusions** relating to all sections on page 27.

SPECIFIC CONDITIONS

OTHER INSURANCE

If any other insurance provides indemnity at the time of any event giving rise to a claim under this section, **we** will not be liable to make any payment except for any amount above the amount payable by such other policy.

OUR RIGHT TO PAY AT ANY TIME

In respect of any one event, **we** may pay the **limit of indemnity** (less any sums already paid or incurred) or any lesser amount for which any claims arising from the event can be settled. **We** will then relinquish control of such claims and be under no further obligation, except for **defence costs** incurred for which **we** may be responsible before the date of such payment provided that **our** liability does not exceed the **limit of indemnity**.

Also refer to the General Conditions and Provisions, and General Claims Procedures relating to all sections on pages 30 and 36.

GENERAL EXCLUSIONS – WHAT YOU ARE NOT COVERED FOR – RELATING TO ALL SECTIONS (EXCEPT WHERE OTHERWISE STATED BELOW)

Specific Exclusions shall override General Exclusions.

1. ASBESTOS (Applicable to Section C – Liability only)

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

2. CONSEQUENTIAL LOSS

This **policy** does not cover any consequential loss or damage of any kind whatsoever, except where **we** specifically state that damage or loss of this nature will be covered.

3. CONTRACTUAL LIABILITY

This **policy** does not cover any contractual liability, except where **we** specifically state that liability of this nature will be covered.

4. ELECTRONIC DATA

This **policy** does not cover any liability, loss or damage to **electronic data** by any cause whatsoever.

Electronic Data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment. This includes programs, software and other coded instructions for such equipment.

5. INTENTIONAL DAMAGE

This **policy** does not cover any deliberate or intentional loss, damage or liability or omission caused or incurred by **you** or by any person acting with **your** express or implied consent.

6. NATIONALISATION

This **policy** does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss that is directly or indirectly caused by or contributed to or arising from nationalisation, confiscation, commandeering, requisition, wilful destruction, forfeiture, attachment, impounding, seizure or preservation or any similar actions or processes by any court order, customs officials, police, crime prevention units, or lawfully constituted authority or officials.

7. NUCLEAR SUBSTANCES

This **policy** does not cover loss, damage, cost or expense whatsoever or any consequential loss that is directly or indirectly caused by, or contributed to by, or arising from:

- a) ionising, radiation or contamination by radio-activity from any nuclear fuel or from any nuclear waste 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 waste in whatever form;

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

8. RIOTS, WARS, POLITICAL ACTS , PUBLIC DISORDER, TERRORISM , OR ANY ATTEMPTED ACTS OF THIS KIND

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

- a) 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;
- b) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), or civil war;
- c) 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;
- d) 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;
- e) 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;
- f) any attempt to perform any act referred to in exclusions d) and e) above;
- g) 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 a) to f) above;

- h) 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;
- i) 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 8** above, then **you** must prove the contrary.

GENERAL CONDITIONS AND PROVISIONS – RELATING TO ALL SECTIONS

Specific Conditions and Provisions shall override General Conditions and Provisions.

1. ALTERATION OF RISK

You must immediately advise **us** 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. In particular this applies to the use of or occupation of the **building**, as well as any changes that increase the risk of loss or damage or the likelihood of liability losses. **You** must also notify **us** of any change in **your** circumstances.

If **you** do not do so **we** shall not be liable for any loss, damage or liability caused or contributed to by any such change or alteration.

We reserve the right to amend the rate, terms and conditions of the **policy** with immediate effect if **our** exposure is increased by the change in risk.

2. BREACH OF CONDITIONS / WARRANTIES

The conditions and warranties of this **policy** and its sections, apply individually to each of the risks insured and not collectively. Therefore any breach will render null and void that section in respect of the risk to which the breach applies.

3. CANCELLATION

You have a cooling off period of 14 days from the inception date of this **policy**. If **you** decide for any reason that this **policy** does not meet **your** requirements **you** must advise **us** in writing within 14 days and **we** will cancel this **policy** and refund any premiums paid by **you** in full. **You** will however not receive a full refund if **you** have made a claim during this period.

If **you** wish to cancel this **policy** after the 14 day cooling off period, **you** must advise **us** in writing and **you** will only be entitled to a pro-rata refund of premium.

We may cancel this **policy** by giving **you** 31 days' notice (or such other period as may be mutually agreed) in writing by post, e-mail or fax.

4. CLAIMS PREPARATION COSTS AND FEES

We will pay the reasonable costs **you** incur in certifying or verifying any particulars or details **we** require in terms of General Claims Procedure 1 to substantiate the amount of any valid claim under this **policy**. **We** will only pay these costs if **you** have first obtained **our** written consent.

The most **we** will pay is the amount as shown in the **schedule**.

5. COLLECTIVE INSURANCE

If more than one insurance company or insurer participates in this **policy**, the words “**we, us** and **ours**” will include “insurers” wherever it appears. In this event the percentage share of each insurer will be that expressed in the **schedule** and the liability of each insurer individually limited to the percentage share shown against its name.

6. DELAYS / COOPERATION

You must extend to **us** all reasonable cooperation to enable **us** to assess, investigate, reinstate, replace, repair and exercise all **our** rights under this **policy**. If **you** do not render such cooperation or if **you** cause any unreasonable delays that prevent **us** from assessing, investigating, repairing, reinstating or replacing or exercising any of our rights, **we** at **our** discretion, may 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.

7. EXCESS

We will reduce the amount **we** pay **you** for any valid claim by the amount of the **excess** as shown in the **schedule**. The **excess** is due before the claim is settled and **we** may deduct it from the settlement. If a claim, or series of claims, results from one event or cause, the **excess you** pay will be the highest **excess** applicable plus any cumulative **excess** as stated in this **policy**.

8. FIRE PROTECTION

It is a condition precedent to liability under this **policy** that **you** comply with the National Building Regulations and Building Standards Act (No. 103 of 1977) as amended or substituted from time to time, or any similar applicable legislation, and the regulations thereto as well as any other regulations or provisions in any by-law, with regard to the installation, maintenance and servicing of all fire protection and fire fighting equipment.

9. FRAUDULENT OR WILFUL ACTS

All cover in terms of this **policy** will be forfeited if:

- a) a claim is in any respect fraudulent or if fraudulent means are used by **you**, or by others with **your** knowledge, to obtain any benefit under this **policy**;
- b) a claim in any way occurs as a result of any wilful acts committed by **you** or with **your** connivance or knowledge;
- c) false information is furnished in respect of any claim;
- d) wilful exposure to needless peril occurs, except in an attempt to save human life.

10. HOLDING COVERED

If **we** are holding cover on a risk, **we** will not reject a claim on the basis that the premium has not been agreed.

11. 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**.

12. INTEREST

No payment due by **us** for any claim will be subject to interest under the 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.

13. JOINT INSURED'S

When there is more than one party named in the **schedule** as an insured, **we** will treat each as a separate and distinct party.

The words **you**, **your** and **yours** will apply to each party in the same manner as if a separate **policy** had been issued to each party. However, **our** liability for any **sum insured** or other **policy** limit for any one event or occurrence is not increased.

Any act, breach or non-compliance with the terms and conditions of this **policy** committed by any one such party will not be prejudicial to the rights and entitlements of the other insured party.

Provided that as soon as the other insured party becomes aware of any act, breach or non-compliance which increases the risk of loss, damage or liability, they must give **us** written notice.

14. LIABILITY UNDER MORE THAN ONE SECTION

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

15. MEANING OF WORDS

The **schedule** and any endorsements to the **schedule** and this **policy** wording must be read together and any word or expression, to which a specific meaning has been given, will bear the same meaning wherever it appears.

16. 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**.

17. NATIONAL BUILDING REGULATIONS / STATUTORY REQUIREMENTS

You must take all reasonable steps to ensure that the **insured property** complies with the National Building Regulations and Building Standards Act (No. 103 of 1977) as amended or substituted from time to time, or any similar applicable legislation, and the regulations thereto. **You** must also take all reasonable steps to ensure that plans were submitted to and approved by the local authority at the relevant time of construction.

You must also comply with all statutory obligations, laws and bylaws, regulations, safety requirements and statutes and regulations thereto imposed for the safety of property or persons.

18. OTHER INSURANCE

If any loss, damage or liability which **you** are claiming for under this **policy** is covered by any other insurance, **we** will only pay **our** proportionate share of the claim.

19. PAYMENTS ON ACCOUNT

If any amounts recoverable from **us** are delayed pending finalisation of any valid claim, **we** may choose to make payments on account to **you** if necessary.

20. PREMIUM PAYMENT

Premiums paid annually

Premiums are payable on or before inception or renewal dates. **We will not be obliged to accept premiums paid after the inception or renewal dates**, but may do so on terms that **we** may determine at **our** sole discretion. The acceptance of a premium will not be regarded as waiver of any of **our** rights (including but not limited to the rights of repudiation and avoidance), and will not be regarded as **us** having agreed that the policy has incepted or renewed.

Premium paid by debit order

Premiums are due in advance and, if not paid by the inception or due date **we** will re-debit the following month and should the premium not be paid when re-debited, this **policy** will be regarded as cancelled at midnight on the last day of the preceding **period of insurance**. This will not apply if **you** can show that failure to make payment was due to an error on the part of **your** bank or other paying agent.

Due date will be the first day of every calendar month if the premium is payable monthly, after inception; or the first day of each:

- a) third calendar month after inception, where the premium is payable quarterly; or
- b) sixth calendar month after inception, where the premium is payable half-yearly; or
- c) twelfth calendar month following inception, where the premium is payable annually.

21. POLICY CHANGES

You may make changes to this **policy** at any time. No changes to this **policy** will be valid unless agreed to by us. A change to the **policy** will only be valid if we have issued a **schedule** noting the change in cover. **We** may change **your policy** by giving you 31 days' notice.

22. REASONABLE PRECAUTIONS

You as well as **your employees**, representatives and agents, must do all that **you** reasonably can do to prevent legal liability, or loss or damage to the **insured property**, and to maintain such property in a sound condition and in a good state of repair, including repairing faults or fixing defects to items such as (but not limited to) roofs, gutters, drains, water pipes and tiled areas when they leak or need repairs.

23. REFUND OF PREMIUM IF THIS POLICY IS CANCELLED

If this **policy** is cancelled, but not if **you** have exercised **your** cooling-off rights before the end of the **period of insurance**, **we** will:

- a) keep the premium for the period **you** were covered;
- b) refund the premium **you** have paid from the date of cancellation to the end of the **period of insurance**.

24. REINSTATEMENT OF SUM INSURED

After a valid claim **we** will automatically reinstate the **sum insured**, subject to **you** paying the additional premium due.

25. 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.

26. SECURITY FIRMS

If any employee of a security firm that **you** employ under a contract causes loss or damage, **we** agree not to exercise **our** rights of recourse against the security firm if in terms of the contract, **you** may not claim against the security firm. **We** will not raise, as a defence to any valid claim submitted under any section of this **policy**, that **our** rights have been prejudiced by the terms of any contract entered into between **you** and the security provider relating to the protection of the **insured property**.

27. SCHEDULE SUM INSURED BLANK

If, in the **schedule** of this **policy**, the **sums insured** or **limits of indemnity** are left blank, reflected as nil, not applicable, or not covered, then this means that the section, item, Extra Cover Following Damage, Extra Cover or Optional Extra Cover is not covered.

28. VALUE ADDED TAX – VAT

All amounts in the ***schedule (sums insured, limits of indemnity, premiums and excesses)*** include VAT. All amounts are in South African Rand, including premiums and the amounts ***we pay to you***.

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.

29. CLOSE CORPORATIONS

Wherever the word director is used this will automatically include member if ***you*** are a close corporation.

30. SHARING OF INFORMATION

While ***we*** respect the confidentiality of the information ***you*** have provided, 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. Information sharing contributes significantly to limiting insurance fraud and assessing risks fairly. In terms of South African law, ***we*** may reveal or receive information if ***we*** intend using it to prevent fraud and to underwrite risks fairly. This clause allows ***us*** to store ***your*** information in the shared database and to verify any underwriting information against legally recognised sources of databases.

On ***your*** behalf, and on behalf of any person ***you*** represent in this ***policy***, ***you*** hereby waive any right to privacy with regard to the sharing of any underwriting and claims information (including credit information) that ***you*** provide or that another person provides on ***your*** behalf in respect of any insurance policy or claim ***you*** make or lodge.

In addition to preventing fraud and underwriting risks, ***your*** information may also be used for any decision relating to the continuance of this ***policy*** or the meeting of any claim ***you*** may submit. ***You*** consent to such information being disclosed to any other insurance company or its agents.

You must send ***us*** written notification of cancellation of authority if ***you*** no longer wish ***us*** to use the information in the manner stated above.

GENERAL CLAIMS PROCEDURE – RELATING TO ALL SECTIONS

Our liability to pay a claim under this **policy** is subject to compliance with the following procedures, failing which we will not be liable to make any payment:

1. YOUR DUTY

On the happening of an event or occurrence which may result in a claim, **you** must, at **your** own expense:

- a) take all reasonable steps to minimise and to prevent any further loss, damage or liability from occurring;
- b) immediately notify the police following loss or damage by theft, attempted theft, malicious damage, violent disorder, riots or civil commotion and obtain a case reference number;
- c) report **your** claim to **us** as soon as reasonably possible, but not later than 31 days after the event or occurrence. If **you** fail to do so, **we** may at **our** discretion reject **your** claim;
- d) complete any forms as requested by **us** and provide full and accurate details of how the event occurred;
- e) advise **us** immediately of receipt of any indication or demand by a third party to make a claim against **you**;
- f) advise **us** immediately in writing when **you** become aware of any incident or occurrence which may result in a claim being made against **you**;
- g) immediately send any writ or summons relating to the incident to **us**.

You must also:

- a) keep the property that has been damaged so that **we** can inspect it;
- b) allow **us** access to **your** property for inspections conducted by ourselves or **our** service providers;
- c) at **your** own expense, provide **us** with all records, invoices, and other documents, information, explanations and other evidence, together with statutory declarations, as **we** may require, for the purpose of investigating or verifying a claim under this **policy**.

You must not:

- a) make any admission of guilt or fault;
- b) offer or negotiate to pay a claim;
- c) admit liability;
- d) authorise repairs to, or arrange replacement of, any of the **insured property** without **our** consent, except for emergency repairs to prevent further damage or where the safety of people is at risk;
- e) dispose of any damaged items without **our** consent.

2. EXCESS

We will reduce the amount **we** pay **you** for any valid claim by the amount of the **excess** as shown in the **schedule**.

3. NO CLAIM WILL BE PAYABLE

No claim will be payable after the expiry of 24 months, or such further time as **we** may allow in writing, from when the event happened, unless the claim is the subject of pending legal action or is in respect of **your** legal liability to a third party.

If **we** reject **your** claim, **you** have 90 days from receiving the rejection notification in which to submit a written objection, or make further requests to **us**. If **you** do not act within the 90 days, **you** may not object to our decision.

If **your** objection is not successful, you have six months from the end of the 90-day period to claim payment by serving legal process in writing on **us**.

4. OFFER TO SETTLE / REFUSAL OF RECOMMENDATIONS

You must advise **us** of any offer to settle a proceeding. **We** may stop paying **your** legal costs and expenses if **you** do not agree to a reasonable settlement. If **our** legal advisor recommends settlement and **you** wish to continue with the proceeding, **we** will only pay the legal costs and expenses incurred up to that date and the settlement amount.

If **you** choose to continue with any legal proceedings that pertain to a claim made against **you**, against **our** recommendations, **we will not pay more than the amount that the claim and the legal costs could have been settled for up to that date.**

5. OUR RIGHTS AFTER A CLAIM

- a) **We** reserve the right to take over and conduct in **your** name the settlement of any claim, legal proceeding or appeal.
- b) **We** will take full control of the administration, conduct or settlement of the claim, including any recovery or defence that **we** may consider necessary.
- c) **We** are entitled to any **salvage value** on recovered items and damaged items that have been replaced.
- d) **We** have the right to:
 - i. choose the supplier or repairer to be used;
 - ii. take possession of any damaged item or **insured property**. **You** will not be entitled to abandon any property to **us** whether taken possession of by **us** or not.
- e) In respect of any section of this **policy** under which cover is provided for liability to third parties, **we** may pay the **limit of indemnity** as shown in the **schedule**, less any sums already paid or incurred, or any lesser amount for which any claims arising from the event can be settled. **We** will then relinquish control of such claims and be under no further liability, except for costs and expenses for which **we** may be responsible before the date of such payment.
- f) **You** shall, at **our** expense, do, and permit to be done, everything that may be necessary or that **we** reasonably require in order to enforce any rights to which **we** will be, or would become, subrogated upon **your** indemnification, whether **we** require such things before or after such indemnification.

6. RECOVERED PROPERTY

If **we** have settled a claim for lost or stolen property and the property is later found or recovered, **you** must assist **us** to identify and recover the property. **We** will pay the reasonable costs that **you** may incur in order to assist **us** in identifying and recovering the property.

If **you** fail to render assistance in terms of this condition when **we** ask **you** to do so, **you** will immediately have to repay all amounts paid by **us** in respect of the claim.

COMPLAINTS PROCEDURE

We realise that things can go wrong and that there may be occasions when **you** feel that **we** have not provided the service **you** expected. When this occurs **we** want to hear about it so that **we** can investigate the complaint and where possible, put things right.

TALK TO THE UNDERWRITING MANAGER

If **you** have a complaint, the first thing **you** or **your** broker should do is to speak to one of the Underwriting Manager's staff members.

If **your** complaint relates specifically to a claim, speak to the claims consultant managing **your** claim. If they are unable to resolve the matter it will be referred to management and ultimately to the Managing Director.

IF YOU ARE STILL NOT SATISFIED

If **you** are still unhappy and wish to escalate the matter, then please contact **us**. The matter will be referred to the relevant dispute handling department who will conduct a full review and endeavour to provide **you** with a response within 14 days.

If you are still not satisfied with our response to your dispute you can seek an external review

The Ombudsman for Short Term Insurance (OSTI) is empowered to review and rule on disputes between **you** and **us**. Their contact details appear in the **schedule** and **you** are entitled to contact their offices if ever **you** are dissatisfied with an outcome or decision **we** have made.

You will however not be able to have **your** dispute resolved by the OSTI if **you** are not eligible under the OSTI Terms of Reference.

Please contact **us** for further information about **our** complaints and disputes resolution procedures.

www.cia.co.za

Johannesburg	0861 242 777	jhb@cia.co.za
Durban	0861 242 555	kzn@cia.co.za
Cape Town	0861 242 111	ct@cia.co.za
Bloemfontein	0861 242 222	bfn@cia.co.za
Port Elizabeth	0861 242 333	pe@cia.co.za
Pretoria	0861 242 999	pta@cia.co.za

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