

Welcome to OUTsurance BUSINESS, "where you always get something out".

OUTsurance BUSINESS is a revolutionary product which gives businesses a range of unique benefits. Our cover is flexible and will suit your individual requirements. This way we ensure that you stay in control.

We pioneered the OUTbonus which is recognised as the reward for those who are claim free. We stand proud as the only company who pays your business for not claiming. We look forward to the day that you receive your OUTbonus.

This policy document forms an essential part of the set of documents we mailed to you. It defines the cover we provide under the following headings which are easily identified by the following points:

- **Defined events** - define what is covered
- **Specific exceptions** - define what is not covered
- **Specific conditions** - define specific conditions relating to the cover
- **Definitions** - provides an explanation of the meaning of a word or phrase
- **Additional perils** - optional cover included or available at additional premium
- **Clauses and extensions** - distinct provision in the cover or an extension of the cover

This document conveys the details of your policy.

Please read through your policy wording, schedule and other documents you receive to make sure you understand the scope of your cover. Call us on **08 600 70 000** for any queries or to update your cover.

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GENERAL EXCEPTIONS, CONDITIONS AND PROVISIONS

Subject to the terms, exceptions, conditions and the payment of premium by the insured, OUTsurance agrees to indemnify or compensate the insured, at the discretion of OUTsurance, by payment, replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance up to the limits of indemnity specified on the schedule.

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

If OUTsurance alleges that legal liability, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

This document together with the schedule and verbal agreements form the basis of the contract between the insured and OUTsurance.

The policy starts when the insured and OUTsurance agree on the cover, premium, terms and conditions, start date and payment dates.

General exceptions

1. War, riot and terrorism

This policy does not cover any legal liability, loss of or damage to property directly or indirectly caused by:

- i. civil commotion, labour disturbances or public disorder or attempt thereof;
- ii. war, or war-like acts or attempt thereof;
- iii. military uprisings, usurped power, rebellion or revolution or attempt thereof; or
- iv. any act or attempt of terrorism by any person or group, whether acting alone or under instruction.

2. Asbestos (applicable to the Public Liability section, Employers Liability section and Sub-Section D (Liability) of the Buildings Combined section)

This policy does not cover any legal liability, loss or damage directly or indirectly caused by the hazardous nature of asbestos in whatever form or quantity.

3. Nuclear

Except as regards the Fidelity and Personal Accident sections, this policy does not cover any legal liability, loss or damage directly or indirectly caused by:

- i. ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- ii. nuclear material, nuclear fission or fusion, nuclear radiation;
- iii. nuclear explosives or any nuclear weapon; and/or
- iv. nuclear waste in whatever form.

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

4. Pollution or contamination

This policy does not cover any legal liability, loss or damage directly or indirectly caused by pollution, contamination or seepage.

5. Computer losses

This policy does not cover any legal liability, loss or damage directly or indirectly caused by the incapacity or failure of any computer to process or save any information due to programme errors, the use of unlicensed software, incorrect entry, corrupting or harmful code or instruction, including any Trojan horse, time or logic bomb or worm or any other destructive or disruptive code, media or programme or interference.

A computer includes all computational devices, including hardware, software and data stored on such devices.

6. Cyber terrorism

This policy does not cover any legal liability, loss or damage directly or indirectly caused by cyber attacks, hacking or cyber terrorism.

7. Detention, Confiscation and Forfeiture

This policy does not cover any loss or damage directly or indirectly arising from property that has been legally detained or confiscated.

8. Excluded perils

This policy does not cover any loss or damage:

- i. Directly or indirectly caused by any cause that was not sudden and unforeseen.
- ii. Directly or indirectly caused by:
 - a) inherent vice or defect, gradual deterioration, including rising damp, wear-and-tear, rust and mildew or fading;
 - b) a rise in the underground water table or pressure caused by it;
 - c) defective lubrication or lack of oil or coolant;
 - d) mechanical-, electrical-, electronic breakdown, defect or failure;
 - e) servicing, maintenance, cleaning, repairing, dyeing, restoring, bleaching or alteration; and/or
 - f) pests or insects.
- iii. To consumable parts or parts with a limited lifespan.
- iv. Recoverable under any maintenance or lease agreement.
- v. Occurring while any item is undergoing tests of any kind or is deliberately overloaded or is being used in a manner for any purpose other than that for which it is designed.

9. Contracts and Agreements

This policy does not cover legal liability, loss or damage directly or indirectly caused by:

- i. breach of contract or agreement; or
- ii. a contract or agreement unless the insured would have had the same liability had the insured not entered into the contract or agreement.

10. Selling your possessions

This policy does not cover legal liability, loss or damage caused directly or indirectly by invalid or illegal payment by a third party to the insured in exchange for any insured property. When selling insured possessions, the insured needs to have prior confirmation by his/her bank that valid and legal payment for the sale has been made and cleared by the bank before giving the property to the third party.

11. Consequential loss

This policy does not cover any loss not directly caused by an insured event. Some consequential losses can be covered and are specifically noted

12. Illegal activities

This policy does not cover legal liability, loss or damage directly or indirectly caused by the use of the insured property for, or in connection with, the commission of any offence. This includes any incident relating to obtaining, using or soliciting narcotics.

General conditions

1. Misrepresentation, misdescription and non-disclosure

Any incorrect information may affect the validity of this contract.

The insured or anyone acting on the insured's behalf must provide true and correct information to OUTsurance. Any material misrepresentation, misdescription or non-disclosure shall render voidable the particular item, section or subsection of the policy or may lead to the cancellation of the entire policy.

2. Notification of changes

The insured must inform OUTsurance immediately of any changes to circumstances that may influence:

- i. whether OUTsurance gives cover
- ii. the conditions of cover
- iii. or the premium charged

This includes but is not limited to any changes to any information about the insured's financial position, convictions or charges for offences by a person covered under this policy.

The insured may make changes to the policy at any time. OUTsurance may change the policy by giving the insured 30 days notice.

3. Other insurance

If there are any other insurance policies providing the same cover as this policy, OUTsurance will pay a pro-rata portion of any claim. If the other insurance is subject to average, this policy will also be subject to average. This does not apply to the Personal Accident Section.

4. Premiums

a) Premium payment

The premiums must be paid by debit order on the agreed payment date and at the start of each period for which cover is in force. If an insured vehicle or watercraft is written off, stolen/hijacked without being recovered and is removed from cover after a claim is settled, there is no refund of the pro-rata portion of the monthly premium for the specific period for which that premium was paid.

b) Premiums not paid

This policy will cancel when:

- i. monthly premiums are not paid for two consecutive months, either on the payment dates or within the grace periods in those months; and/or
- ii. annual premiums are not paid on the payment date or within the grace period.

Should the insured cancel or stop the debit order, the insured will not enjoy cover for the period of non-payment.

The policy will end on the final day of the period for which the insured last paid premium.

If the premium is not paid on the agreed payment date, the insured has a 15 day grace period after which OUTsurance will automatically deduct the premium from the same account to ensure continuous cover. If the premium is not paid within the grace period, the insured will have no cover for the period for which he/she did not pay. If premiums are paid monthly, the grace period will only apply from the second month of cover.

5. Adjustment of premium

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

6. Prevention of loss

The insured must take reasonable and necessary steps to prevent or minimise loss, damage, injury or liability. This includes but it is not limited to:

- i. maintaining the property/items in a fit and sound condition;
- ii. ensuring that all employees are competent to perform their work and are in possession of all certificates and necessary documents as required by law;
- iii. complying with all statutory requirements and manufacturers' recommendations and specifications; and/or
- iv. correcting any defects in the property within a reasonable time after becoming aware of any faults.

The insured warrants that all laws, regulations and rules that apply to the business shall be adhered to at all times. Failure to take reasonable and necessary steps to prevent or minimise loss, damage, injury or liability shall entitle OUTsurance to reject any claim where such failure is material to the claim.

7. Claims

a) On the happening of any event which may result in a claim under this policy the insured shall:

- i. notify OUTsurance as soon as reasonably possible and provide particulars of any other insurance providing the same cover as this policy;
- ii. as soon as possible after the event inform the police of any claim involving theft or (if required by OUTsurance) loss of property;
- iii. supply proof, information and sworn declarations as OUTsurance may require within the time frame OUTsurance set including any communication, writ, summons or other legal process against the insured in connection with the event giving rise to the claim;
- iv. prove ownership and value of any items claimed for and will make damaged items available for inspection in order to substantiate the extent and nature of the damage; and
- v. provide true and complete information to OUTsurance and the authorities.

b) No claim (other than a claim under the Business Interruption, Fidelity, Personal Accident or the Personal Accident (assault) extension under Money, if applicable) shall be payable after 24 months from the happening of any event unless the claim is the subject of pending legal action or claimed in respect of the insured's legal liability to a third party.

c) Any repairs or replacements must be completed within six months of the claim being settled.

- d) If the insured disputes the outcome of a claim the insured has 90 days, in terms of the Policy Holder Protection Rules, from the day he/she is first informed of the outcome, to notify OUTsurance about the objection. Immediately following this, the insured has six months within which to serve summons on OUTsurance. If this is not done within this period, the insured's right to challenge this decision is forfeited.
- e) After the payment of a claim in terms of this policy the insured needs to comply with reasonable instructions and requests when assistance is needed in the identification and physical recovery of such property. Should the insured fail to render assistance in terms of this condition, the insured shall immediately become liable to repay all amounts paid in respect of the claim.
- f) OUTsurance will choose a supplier to replace or repair. If OUTsurance elect to repair or replace, OUTsurance will only do so up to the maximum sum insured noted on the schedule for the specific section claimed under.
- g) Where any item claimed for is financed, OUTsurance will first pay the finance company.
- h) Where a claim is settled for damaged items, these items become the property of OUTsurance.

8. Company's rights after an event

- a) On the happening of any event in respect of which a claim is or may be made under this policy, OUTsurance or any person or company authorised by OUTsurance:
 - i. takes possession of any damaged property and deal with it in any reasonable manner; the insured shall not abandon any property whether in possession of OUTsurance or not; and/or
 - ii. acts on the insured's rights or obligations against other people to recover costs or to defend any claim they may have against the insured. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of OUTsurance.
- b) In respect of any liability section of this policy, payment is limited to the maximum amount noted on the schedule for such an event or any lesser sum to settle the claim and OUTsurance shall thereafter not be under further liability in respect of such event.

9. Fraud

If the insured or anyone acting on his/her behalf submits a claim, or any information or documentation relating to any claim that is in any way fraudulent, dishonest or inflated, OUTsurance will reject the entire claim and cancel this policy retrospectively to the reported incident date or the actual incident date, whichever date is earliest. If the claim is rejected for such a reason, the insured will need to reimburse OUTsurance for any expenses incurred relating to the claim.

10. 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.

11. No rights to other persons

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 to 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 OUTsurance.

12. Statutory Regulations

The insured must comply with all relevant statutory regulations and best practises that may be applicable to his/her business activities, employees, clients and goods, services and products manufactured or supplied.

13. Consent to disclosure

OUTsurance respects the confidentiality of the insured's information. In order to ensure sound insurance practices and prevent insurance fraud OUTsurance confirms and discloses information relating to claims, insurance and financial history. This is applicable to anyone covered under this policy. If the insured is not willing for this information to be confirmed or disclosed, OUTsurance will not be able to provide cover.

14. Unauthorised repairs or replacements

OUTsurance will not cover any non-emergency repairs or replacements without prior approval.

15. Optional cover not automatically included

Where optional cover is available, it is automatically excluded unless it was selected and included on the schedule.

16. Admitting guilt

The insured should never admit guilt nor offer settlement to any other party involved in an incident in which they are involved. OUTsurance will not be bound by any admission or any offer made by the insured or anyone acting on their behalf to any person in relation to any incident.

General provisions

A Claims preparation costs

The insurance provided 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 OUTsurance in terms of claims provided that the liability shall not exceed the amount noted in the schedule.

B Payments on account

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

C First amount payable

The amount payable under this policy for every loss, damage or liability shall be reduced by the first amount payable by the insured for every claim and is noted in the schedule. In the event of a claim this amount is payable upfront to the service provider.

D Liability under more than one section

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

E Premium discounts

The insured may at any time provide OUTsurance with the details of persons the insured consider will be interested in any of OUTsurance's and/or OUTsurance's related companies' long term or short term insurance products. OUTsurance may then contact these persons and if it results in a policy being entered into between OUTsurance and that person, OUTsurance will give the insured a discount on the premium payment in the succeeding months. The amount of the discount that the

insured will be entitled to per successful referral is set out in the schedule.

F Policy cancellations

This policy or any section may be cancelled by the insured at any time with immediate effect or by OUTsurance giving 30 days' notice in writing.

In the event that OUTsurance receives written or verbal instruction from anyone other than the insured to cancel the policy, OUTsurance will first contact the insured telephonically to confirm the instruction before the policy will be cancelled.

G Holding covered

If OUTsurance is holding covered on a risk the claim will not be rejected on the basis that the premium has not been agreed.

H Security firms

If an employee of a security firm, employed by the insured under a contract, causes loss or damage, OUTsurance agrees not to exercise their rights of recourse against the security firm, if in terms of this contract the insured may not claim against the security firm.

I The OUTbonus

The OUTbonus is a cash bonus that rewards the insured for not claiming. The OUTbonus cycle, including payment intervals and the appropriate percentages, is also shown on the schedule.

The insured's OUTbonus will be forfeited following:

- i. the payment of any claim submitted for any incident, including any liability claim settled; or
- ii. where letters of demand or summonses are referred to OUTsurance and the incident date falls within the appropriate OUTbonus cycle.

The new cycle will start immediately after the incident date for which the claim was settled.

The insured's OUTbonus cannot be reinstated even if a successful claims cost recovery is made.

Should the insured decide to withdraw a claim in order to protect his/her OUTbonus, the decision will remain final and cannot be altered should any subsequent claim be submitted. No claim will be settled retrospectively once the insured's OUTbonus has been paid.

Should the insured successfully refer a client to OUTsurance, OUTsurance will give the insured a discount on the premium payments in the succeeding months. Please note that this discounted months' premium will not have an effect in the calculation of the insured's OUTbonus and the OUTbonus will be calculated as if the discount did not apply.

SASRIA

Cover is provided by SASRIA SOC Limited and only applies if it is noted on the schedule. Cover is available under all sections of the policy, excluding Personal Accident, Fidelity, Public Liability and Employer's Liability.

It is a condition of cover that the insured, and anyone covered under the OUTsurance policy, must comply with its terms and conditions in order to be covered by SASRIA.

What is covered under SASRIA cover

The insured is covered in South Africa for loss or damage caused by:

1. any act or attempt calculated or directed to:
 - a) overthrowing or influencing the state or government, or any provincial, local or tribal authority with force, or by means of fear, terrorism or violence;
 - b) bringing 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 the state or government, or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public; and
 - c) bringing about any riot, strike or public disorder, which includes civil commotion, labour disturbances or lockouts,
2. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to above; and
3. where the insured is covered by one or more current and valid insurance contracts issued by or on behalf of SASRIA, the maximum sum payable is R500 million during any calendar year.

What is not covered under SASRIA cover

1. Any consequential or indirect loss or damage, other than loss of rent if it is specifically covered. If so, the period is limited to the time required to make the building tenantable.
2. Loss or damage caused or contributed to by:
 - a) the total or partial stopping of work;
 - b) the retardation, interruption or stopping of any process or operation;
 - c) the insured property being dispossessed, resulting from its confiscation, commandeering or requisitioning, by any lawfully established authority; and
 - d) looting and theft unless caused by any of the covered events mentioned above.
3. Any act of terrorism involving the threat of or actual use, or release of, any:
 - a) nuclear weapon or device; or
 - b) chemical or biological agent.

Any act of terrorism includes the actual use or threat of force or violence by any person or group whether acting alone or in connection with any organisation or government, and which is committed for any political, religious, ideological or personal reasons, including the intention to influence any government or to create fear in the public.

If SASRIA states that any loss or damage is not covered because of the exclusion noted above, the insured will bear the responsibility of proving that the exclusion does not apply.

All events which may give rise to a claim in terms of SASRIA must be reported to the police as soon as reasonably possible.

Defined events

Damage to the property described in the schedule, owned by the insured or for which they are responsible, including alterations by the insured as tenants to the buildings and structures, by the following:

1. Fire
2. Lightning or thunderbolt
3. Explosion
4. Special perils

Damage caused by:

- a) storm, wind, water, hail or snow excluding damage to property:
 - i. arising from its undergoing any process necessarily involving the use or application of water
 - ii. caused by tidal wave originating from earthquake
 - iii. caused by mining operations
 - iv. in the open or in any structure not completely roofed (Unless specifically insured under Column 4 Outside)
 - v. being retaining walls (Unless specifically insured under Column 5)
- b) if insured specifically under Column 5, this extension covers loss or damage caused by bursting of water heating systems (which include geysers, solar water heating systems and boilers), water supply-tanks, cisterns and pressurised water pipes forming a permanent part of the building up to the maximum amount noted on the schedule. The resultant damage caused by the water is covered under 4.a).
- c) aircraft and other aerial devices or articles dropped therefrom.
- d) impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.

This extension does not cover damage caused by:

- i. leakage or discharge from any sprinkler or drencher system in any buildings; or
- ii. subsidence or landslip.

5. Such additional perils as are noted in the schedule to be included.

Specific exceptions

1. This section does not cover earthquake, whether arising from mining operations or otherwise, unless added as an additional peril.
2. This insurance does not cover damage to property:
 - a) occasioned by its undergoing any heating or drying process;
 - b) which is insured by any marine policies during the period of insurance, except in excess of the amount which would have been payable under the marine policies had this insurance not been effected;
 - c) caused by volume changes in any clay-based soil or in rock caused by changes in their moisture or water content; or
 - d) caused by defects in the design or construction of the building, or where the structure would not have been approved by the relevant local authority at the time of construction.
 - e) caused by settlement, shrinkage or expansion of soil due to the change in moisture content caused by extreme weather conditions like drought or wet seasons.
3. Loss or damage to counterfeit items.
4. This section does not cover deterioration of stock, unless added as an additional peril.

Specific conditions

1. Average

If the sum insured is less than the total value of the insured property OUTsurance shall pay only such proportion as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

If a separate sum insured is shown next to an additional peril representing a first loss limit, the above paragraph will be substituted with:

If the sum insured for fire damage is less than the total value of the insured property, OUTsurance shall pay only such proportion of the first loss limit as the sum insured for fire damage bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

Definitions

1. Column 1

Buildings, which the insured owns or for which the insured is responsible situated as noted in the schedule, including all outbuildings thereto (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise noted in the schedule) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, posts, fences, tarred or paved roads, driveways, paths or parking areas excluding water heating systems and pressurised water pipes

2. Column 2

The number of months' rent/rental value

3. Column 3

Movable property and movable property designed to exist or operate outside, such as furniture, movable plant and machinery and electrical equipment, landlord's fixtures and fittings for which the insured is responsible and all other contents excluding:

- a) electronic equipment,
- b) stock and material in trade,
- c) vehicles (such as motorcars, motorcycles, motorised scooters, LDVs, caravans, trailers, aircraft and watercraft) and accessories therefor and
- d) property more specifically insured.

4. Column 4 Inside

- a) Raw materials
- b) Goods being manufactured or traded
- c) Other goods for which the insured are responsible and which belong to other parties

5. Column 4 Outside

- a) Raw materials
- b) Goods being manufactured or traded
- c) Other goods for which the insured are responsible and which belong to other parties

Designed to exist or operate outside at the insured premises which is noted on the schedule

6. Column 5

Miscellaneous as described such as water heating systems and pressurised water pipes not exceeding the sum insured noted in the schedule.

7. Electronic equipment

The term Electronic equipment will include the following equipment defined accordingly:

- a) **Electronic data processing equipment.** Including but not limited to computers and electronic apparatus for processing and calculations or controlling functions which are expressible in numeric or logic terms. The term electronic data processing equipment should mean computer equipment which shall include items such as laptops, palmtops, monitors, keyboards, mouse, other related hardware, peripherals and computer software and the information or data stored therein or thereon.
- b) **Other electronic equipment** where the equipment cannot perform their basic function without electronic components (Including but not limited to vacuum tubes, transistors, diodes, integrated circuits) eg. cell phones, televisions, video equipment, decoders, audio systems, digital photographic equipment, digital telephonic equipment, digital printing/scanning equipment.

Additional perils (if noted in the schedule to be included)

1. Earthquake extension

Damage caused by earthquake but excluding damage to property in the underground workings of any mine.

2. Leakage extension

Damage caused by discharge or leakage from any sprinkler, drencher system or fire extinguishing installation/appliance.

In respect of this extension only, specific exception 1 to this section is deleted.

3. Subsidence and landslip extension

Damage caused by subsidence or landslip subject to the building foundations and construction being designed and approved by a licensed structural engineer.

This extension does not cover

- a) Damage to drains, water courses, retaining walls unless specifically insured under Column 5.
- b) Damage caused by:
 - i. Faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
 - ii. Workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises
 - iii. Excavation on or under land other than excavations in the course of mining operations

4. Malicious damage extension

Damage caused by the deliberate or wilful act of any person committed with the intention of causing such damage other than:

- a) Loss or damage to movable or immovable property which is:
 - i. stolen,
 - ii. damaged in an attempt to steal it, or
 - iii. damaged whilst breaking into or out of the insured premises, or any attempt thereat.
 - iv. caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees
 - v. caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent

Provided that this extension does not cover damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.

If any building insured or containing the insured property becomes vacant, abandoned, empty, illegally occupied or unoccupied for more than 30 consecutive days, the insurance in respect of this extension is suspended as regards the property affected.

During the period of the initial 30 consecutive days while the building is unoccupied, the insured shall become a co-insurer with OUTsurance and shall bear a proportion of any damage equal to the percentage noted in the schedule of the claim before deduction of any first amount payable.

5. Malicious damage unoccupied buildings extension

The Malicious damage extension is replaced by the following:

Damage caused by the deliberate or wilful act of any person committed with the intention of causing such damage other than:

- a) Loss or damage to movable or immovable property which is:
 - i. stolen,
 - ii. damaged in an attempt to steal it, or
 - iii. damaged whilst breaking into or out of the insured premises, or any attempt thereat.
 - iv. caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees
 - v. caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent

Provided that this extension does not cover damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.

If any building insured or containing the insured property becomes vacant, abandoned, empty or illegally occupied, the insurance in respect of this extension is suspended as regards the property affected.

6. Riot and strike extension

This section is extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; and/or
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

7. Power surges extension

Loss or damage to the property insured caused by power surges and dips.

8. Water heating systems and pressurised water pipes wear-and-tear

Loss of or damage to the water heating systems and pressurised water pipes if insured under Column 5 of this section caused by rust, decay, gradual deterioration, wear-and-tear, cracking and splitting to a water heating system, its parts and any concealed pressurised water pipes. The cost of repairing or replacing the water heating system, its parts and any concealed pressurised water pipes is covered in full.

General exception 8 ii a) is deleted for this extension only.

This extension does not cover sewerage pipes.

9. Deterioration of stock extension

Loss of or damage to the property insured under Column 4 of this section caused by the deterioration following damage by a defined event covered under this section at the insured premises noted in the schedule.

- a) Insured premises only
- b) Insured premises and premises away from the insured premises

This extension does not cover:

- a) loss arising within the no-claim period noted in the schedule of goods stored in the refrigeration chambers due to deviation from the prescribed refrigeration temperature, unless deterioration is caused by contamination as a result of leakage of refrigerant or by accidental freezing of goods or unless fresh goods that have not yet reached the prescribed refrigeration temperature are affected thereby;

No-claim period is defined as the time period immediately following cessation of cooling during which, with the storage room left sealed, no deterioration takes place;

- b) loss to the goods stored arising as a result of shrinkage, inherent defects or diseases, natural deterioration or decay;
- c) loss arising from improper storage, damage to packing material, insufficient circulation of air, non-uniformity of temperature;
- d) loss caused by temporary repair carried out without OUTsurance's consent of the refrigeration machinery;
- e) penalties for delay, consequential loss or damage or liability of any nature whatsoever; and
- f) loss or damage caused by the wilful act or wilful negligence of the insured or his representatives.

This extension shall apply only if:

- a) the refrigeration machinery is insured under this policy;
- b) the insured refrigeration machinery is connected to an automatic alarm system in an attended location;
- c) the stock is not stored in "controlled atmosphere" chambers;
- d) at the time of the loss or damage, the goods are stored in the refrigeration chambers; and/or
- e) the insured maintains on a daily basis stock records in which the type, quantity and value of the goods stored and the beginning and the end of the storage period are entered separately for each refrigeration chamber.

Specific exception 4 of this section is deleted.

Clauses and extensions

1. Reinstatement value conditions clause (if noted in the schedule to be included)

In the event of property other than stock being damaged, the amount payable will be calculated based on the cost of replacing or reinstating with property on the same site of the same kind but not superior to the insured property when new, provided that:

- a) the work of replacement or reinstatement (which may be carried out upon another site subject to the liability of OUTsurance not being increased) must be commenced and carried out with reasonable despatch; and/or
- b) OUTsurance shall only be liable for payment once expenditure has been incurred by the insured in replacing or reinstating the property.

These conditions shall be without force or effect if:

- c) the insured fails to inform OUTsurance within six months of the date of damage or such further time as OUTsurance may in writing allow, his intention to replace or reinstate the property; and/or
- d) the insured is unable or unwilling to replace or reinstate the property on the same or another site.

2. Stock Seasonal Increase extension (if noted in the schedule to be included)

The sum insured of the property insured under Column 4 - Stock Inside and Stock Outside will be automatically increased by the percentage in the month(s) selected by the insured as noted in the schedule.

3. Rent clause (if insured under Column 2)

OUTsurance will pay the amount of rent receivable, rent payable or rental value defined hereunder in the event of the premises noted in the schedule being rendered unfit to occupy during the term specified therein in consequence of damage by an event defined under this section.

- a) Rent receivable - the actual rent receivable by the insured at the time of the event in respect of the said premises.
- b) Rent payable - the actual rent payable by the insured to the owner or landlord of the said premises.
- c) Rental value - the actual rental value of the said premises.

The amount payable in terms of this clause shall be in the proportion which the amount insured bears to the actual rent receivable/payable or rental value of the premises.

OUTsurance shall only be liable for the period required to make the premises fit to occupy or if the number of months specified in the schedule has been reached.

4. Prevention of access (if insured under Column 2)

If property within a 10 km radius of the premises noted in the schedule is lost or damaged by a defined peril during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, OUTsurance will pay any loss of rent the insured may incur as a result thereof up to the amount

noted under Column 2. The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.

5. Designation of property clause

For the purpose of determining, where necessary, the column under which any property is insured, OUTsurance agrees to accept the designation under which such property has been entered in the insured's books.

6. All other contents clause

The term all other contents referred to in the definition of property under Column 3 of the schedule includes, but is not restricted to, personal effects and tools belonging to the insured or directors or members or employees of the insured in so far as such property is not otherwise insured.

The benefit under this extension is limited to the amount noted in the schedule per person in respect of property lost or damaged whilst on the insured's premises.

7. Limitations clause

OUTsurance's liability under Column 3 of the schedule is restricted in respect of:

- a) money and stamps to the limit noted on the schedule; and
- b) documents, manuscripts, business books, plans, computer systems records and media, designs, patterns, models and moulds to the value of materials and sums expended in labour.

8. Alterations and misdescriptions clause

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy:

- a) due to the transfer of processes or machinery;
- b) by virtue of acquisition of additional premises; and/or
- c) due to structural alterations or repairs to buildings, machinery or plant, provided that notice is given to OUTsurance as soon as possible after such event.

9. Architects' and other professional fees clause

The insurance amount under Columns 1, 3 and 5 of the schedule includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

10. Capital additions clause

The insurance under this section covers alterations, additions and improvements to the property other than stock and materials in trade for an amount not exceeding 15% of the sum insured thereon. The insured must advise OUTsurance of such alterations, additions and improvements as soon as possible.

11. Cost of demolition and clearing and erection of hoardings clause

The insurance under this section include reasonable costs necessarily incurred:

- a) in respect of the demolition of buildings and machinery;
- b) in respect of the removal of debris (including stock debris); and/or
- c) of providing, erecting and maintaining hoardings required during demolition, site clearing or building operations following damage to the property insured by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected.

OUTsurance will not pay for any costs:

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

12. Fire extinguishing charges clause

Any reasonable costs relating to the extinguishing or fighting of fire shall be payable in addition to any other payment for which OUTsurance may be liable in terms of this section provided the insured is legally liable for such costs and the insured property was in danger from the fire.

13. Mortgagee clause

The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall inform OUTsurance as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by OUTsurance.

14. Municipal plans scrutiny fee clause

The insurance under Column 1 of the schedule includes municipal plans scrutiny fee, provided that the total amount recoverable under any item shall not exceed the sum insured on the building affected.

15. Public authorities' requirements clause

The insurance under this section includes such additional cost of repairing or rebuilding the damaged property incurred solely to comply with building or other regulations under any act of parliament or ordinance of any provincial, municipal or other local authority, provided that:

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

16. Railway and other subrogation clause

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

17. Alternative replacement conditions (design capacity) clause

In the event of property insured which has a measurable function being damaged by a defined event and which is not possible to replace or reinstate such property in terms of the reinstatement value conditions, then OUTsurance will pay the cost of replacing such property with property the quality, capacity, function or output as near as possible but not inferior to that of the original property, provided that the reinstatement value conditions apply equally to this clause.

18. Temporary removal clause

The property insured is covered whilst temporarily removed elsewhere to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi, provided that:

- a) the temporary removal is for the purpose of cleaning, renovation, repair or similar process, otherwise the liability of OUTsurance shall not exceed 15% of the sum insured applicable to any item; and
- b) the amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the property is temporarily removed.

19. Tenants clause

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

20. Public supply connections clause

This section is extended to cover accidental damage to water, sewerage, gas, electricity and telecommunication connections belonging to the insured or for which they are legally responsible between the property insured and the public supply or mains.

21. Escalation clause extension (if noted in the schedule to be included)

During each period of insurance, the sum(s) insured under Columns 1 and/or 3 of this section shall be increased by that portion of the percentage noted in the schedule which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the sum(s) insured in force at the commencement of the period of insurance.

At each renewal date, the insured shall notify OUTsurance 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.

The additional premium for this extension shall be 50% of the premium produced by applying the percentage specified to the premium for the sum insured to which this extension applies.

22. Disposal of salvage clause (if noted in the schedule to be included)

OUTsurance agrees that it will not sell or otherwise dispose of any property which is the subject of a claim hereunder without the consent of the insured provided that the insured can establish to the satisfaction of OUTsurance that to do so will prejudice their interests in which event OUTsurance agrees to give the insured first option to repurchase such property at its fair intrinsic value or market value whichever is greater.

The insured shall not be entitled under the provisions of this clause to abandon any property to OUTsurance whether taken possession of by OUTsurance or not.

Sub-Section A: Property**Defined events**

Damage to the buildings, which the insured owns or for which the insured is responsible situated as noted in the schedule, including all outbuildings thereto (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise noted in the schedule) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, posts, fences, tarred or paved roads, driveways, paths or parking areas excluding water heating systems and pressurised water pipes by:

1. Fire, lightning, thunderbolt, explosion
2. Storm, wind, water, hail or snow, excluding damage to property:
 - a) arising from its undergoing any process necessarily involving the use or application of water;
 - b) caused by tidal wave originating from earthquake;
 - c) in the underground working of any mine;
 - d) being retaining walls; and/or
 - e) caused or aggravated by subsidence or landslip.
3. If water heating systems are specified separately, loss or damage caused by bursting of water heating systems (which include geysers, solar water heating systems and boilers), water supply-tanks, cisterns and pressurised water pipes forming a permanent part of the building. The resultant damage caused by the water is covered under 2.
4. Earthquake
5. Aircraft and other aerial devices or articles dropped there from.
6. Impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes, vehicle or property in or on such vehicles.
7. Theft or attempted theft accompanied by visible signs of forced or violent entry into or exit from such building.

If any building insured becomes vacant, abandoned, empty, illegally occupied or unoccupied for more than 30 consecutive days, the insurance in respect of this sub-section is suspended as regards the property affected.

During the period of the initial 30 consecutive days while the building is unoccupied, the insured shall become a co-insurer with OUTsurance and shall bear a proportion of any damage equal to the percentage noted in the schedule of the claim before deduction of any first amount payable.

8. Accidental damage to sanitary ware.

Specific exceptions

1. **This insurance does not cover damage to property:**
 - a) caused by volume changes in any clay-based soil or in rock caused by changes in their moisture or water content; or
 - b) caused by defects in the design or construction of the building, or where the structure would not have been approved by the relevant local authority at the time of construction.
 - c) caused by settlement, shrinkage or expansion of soil due to the change in moisture content caused by extreme weather conditions like drought or wet seasons.

Specific conditions

1. **Average**

If the sum insured is less than the total value of the insured property OUTsurance shall pay only such proportion as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

Sub-Section B Public supply connections**Defined events**

Accidental damage to water, sewerage, gas, electricity and telecommunication connections belonging to the insured or for which they are legally responsible between the property insured and the public supply or mains up to the amount noted in the schedule.

Sub-Section C Rent**Defined events**

OUTsurance will pay the amount of rent receivable, rent payable or rental value defined hereunder in the event of the premises noted in the schedule being rendered unfit to occupy in consequence of damage by an event defined under this section but only for the period necessary for reinstatement and for an amount not exceeding the percentage of the sum insured noted in the schedule.

1. Rent receivable – the actual rent receivable by the insured at the time of the event in respect of the said premises.
2. Rent payable – the actual rent payable by the insured to the owner or landlord of the said premises.
3. Rental value – the actual rental value of the said premises.

Sub-Section D Liability**Defined events**

Damages for which the insured shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person (hereinafter termed injury) or accidental loss of or physical damage to tangible property (hereinafter termed damage) occurring during the period of insurance on the property insured and arising from the insured's ownership thereof.

Specific exceptions

OUTsurance will not indemnify the insured under this sub-section in respect of the following.

1. Injury or damage sustained by:
 - a) any member of the same household as the insured;
 - b) any employees or contract workers of the insured arising directly from and in the course of such employment or services rendered; or
 - c) any other person resulting from the ownership, possession, maintenance, repair, operation or use of mechanically propelled vehicles (except pedal cycles and lawnmowers).
2. Damage to property:
 - a)
 - i. belonging to the insured;
 - ii. in the custody or control of the insured or any employees of the insured; and/or
 - b) caused directly or indirectly by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
3. Liability assumed by agreement unless liability would have attached to the insured notwithstanding such agreement.
4. Liability in respect of injury, damage or loss of use of property caused directly or indirectly by seepage, pollution or contamination or the costs of removing, nullifying or cleaning up seeping, polluting or contaminating substances except where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence.
5. Fines, penalties, punitive, exemplary or vindictive damages.
6. Damages in respect of judgements delivered, awarded or settlements made, including costs recovered by any claimant from the insured, otherwise than by a court of competent jurisdiction within the Republic of South Africa and Namibia.

Specific conditions

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

Definitions

1. The limit of indemnity

The amount payable inclusive of any legal costs recoverable from the insured by a claimant for an event shall not exceed the amount noted in the schedule.

Additional perils (if noted in the schedule to be included)

1. Loss or damage unoccupied buildings extension

- a) Sub-section A, Defined Events 7. is replaced by the following.

Theft or attempted theft accompanied by visible signs of forced or violent entry into or exit from such building.

If any building insured becomes vacant, abandoned, empty or illegally occupied, the insurance in respect of this sub-section is suspended as regards the property affected.

- b) The Malicious damage extension is replaced by the following.

Damage caused by the deliberate or wilful act of any person committed with the intention of causing such damage other than

- i. Loss or damage to movable or immovable property which is:

1. stolen,
2. damaged in an attempt to steal it, or
3. damaged whilst breaking into or out of the insured premises, or any attempt thereat.
4. caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees
5. caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent

Provided that this extension does not cover:

- a) damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation; and/or
- b) if any building insured becomes vacant, abandoned, empty or illegally occupied, the insurance in respect of this extension is suspended as regards the property affected.

2. Subsidence and landslip extension to Sub-section A

Sub-section A of this section is extended to cover damage caused by subsidence or landslip subject to the building foundations and construction being designed and approved by a licensed structural engineer.

This extension does not cover:

- a) damage to drains, water courses, retaining walls; or
- b) damage caused by or attributable to:
 - i. faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises;
 - ii. workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises; and/or
 - iii. excavation on or under land other than excavations in the course of mining operations.

3. Power surges extension

Loss or damage to the property insured caused by power surges and dips.

4. Riot and strike extension

Sub-sections A, B and C of this section are extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; or
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

5. Water heating systems and pressurised water pipes wear-and-tear

Loss of or damage to the water heating systems and pressurised water pipes caused by rust, decay, gradual deterioration, wear-and-tear, cracking and splitting to a water heating system, its parts and any concealed pipes. The cost of repairing or replacing the water heating system, its parts and any concealed pressurised water pipes is covered in full.

General exception 8 ii a) is deleted for this extension only.

This extension does not cover sewerage pipes.

6. Trustees liability

The defined events are extended to include damages for which the insured or any associated trustees are legally liable arising from any wrongful act.

Provided that:

- a) the limits of indemnity shall not exceed the amount noted in the schedule; and/or
- b) the insured amount noted in the schedule is also the maximum amount payable for the annual period of insurance which is based on the renewal date of this policy.

Provided that this extension does not cover:

- a) any liability for the payment of Value Added Tax;
- b) any remuneration or other monies to which the Insured or trustees are legally entitled; and
- c) any trustees committing any wrongful acts knowing such actions to be illegal, fraudulent or of malicious intent, however this shall not apply to any innocent party affected by such acts.

Clauses and extensions

1. Reinstatement value conditions clause (if noted in the schedule to be included)

In the event of property other than stock being damaged, the amount payable will be calculated based on the cost of replacing or reinstating with property on the same site of the same kind but not superior to the insured property when new, provided that:

- a) the work of replacement or reinstatement (which may be carried out upon another site subject to the liability of OUTsurance not being increased) must be commenced and carried out with reasonable despatch; and
- b) OUTsurance shall only be liable for payment once expenditure has been incurred by the insured in replacing or reinstating the property.

These conditions shall be without force or effect if:

- a) the insured fails to inform OUTsurance within six months of the date of damage or such further time as OUTsurance may in writing allow, his intention to replace or reinstate the property; and
- b) the insured is unable or unwilling to replace or reinstate the property on the same or another site.

2. Security firms (applicable to Sub-Section D)

If the insured enters into a contract with a security firm in the course of the insured's business, the security firm's personnel will be regarded as being the insured's employees and this sub-section will include legal liability for loss or damage caused by these employees.

If the security firm has its own Public Liability cover under another insurance policy, OUTsurance will only pay the difference between the claim amount and the limit of cover under that policy.

3. Prevention of access extension to Sub-Section C

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

4. Alterations and misdescriptions clause

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy:

- a) due to the transfer of processes or machinery;
- b) by virtue of acquisition of additional premises; or
- c) due to structural alterations or repairs to buildings, machinery or plant;

provided that notice is given to OUTsurance as soon as possible after such event.

5. Architects' and other professional fees clause

The insurance under sub-section A includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement of the property insured following damage by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

6. Capital additions clause

The insurance under this section covers alterations, additions and improvements to the property for an amount not exceeding 15% of the sum insured thereon, the insured must advise OUTsurance of such alterations, additions and improvements as soon as possible.

7. Cost of demolition and clearing and erection of hoardings clause

The insurance under this section include reasonable costs:

- a) in respect of the demolition of buildings;
- b) in respect of the removal of debris; and
- c) of providing, erecting and maintaining hoardings required during demolition, site clearing or building operations;

following damage to the property insured by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected.

OUTsurance will not pay for any costs:

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

8. Fire extinguishing charges clause

Any reasonable costs relating to the extinguishing or fighting of fire shall be payable in addition to any other payment for which OUTsurance may be liable in terms of this section provided the insured is legally liable for such costs and the insured property was in danger from the fire.

9. Mortgagee clause

The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall inform OUTsurance as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by OUTsurance.

10. Municipal plans scrutiny fee clause

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

11. Public authorities' requirement clause

The insurance under this section includes such additional cost of repairing or rebuilding the damaged property incurred solely to comply with building or other regulations under any act of parliament or ordinance of any provincial, municipal or other local authority provided that

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

12. Railway and other subrogation clause

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

13. Temporary removal clause

The property insured is covered whilst temporarily removed elsewhere to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi, provided that:

- a) the temporary removal is for the purpose of cleaning, renovation, repair or similar process, otherwise the liability of OUTsurance shall not exceed 15% of the sum insured applicable to any item; and
- b) the amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the property is temporarily removed.

14. Tenants clause

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

15. Escalation clause extension (if noted in the schedule to be included)

During each period of insurance, the sum (s) insured under sub-section A of this section shall be increased by that portion of the percentage noted in the schedule which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the sum (s) insured in force at the commencement of the period of insurance.

At each renewal date, the insured shall notify OUTsurance 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.

The additional premium for this extension shall be 50% of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

16. Malicious damage extension

Damage caused by the deliberate or wilful act of any person committed with the intention of causing such damage other than

- a) Loss or damage to movable or immovable property which is:
 - i. stolen,
 - ii. damaged in an attempt to steal it, or
 - iii. damaged whilst breaking into or out of the insured premises, or any attempt thereof.
 - iv. caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees
 - v. caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent

Provided that this extension does not cover

- a) Damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation

If any building insured becomes vacant, abandoned, empty, illegally occupied or unoccupied for 30 consecutive days, the insurance in respect of this extension is suspended as regards the property affected.

During the period of the initial 30 consecutive days while the building is unoccupied, the insured shall become a co-insurer with OUTsurance and shall bear a proportion of any damage equal to the percentage noted in the schedule of the claim before deduction of any first amount payable.

Sub-Section A: Property**Defined events**

Damage to the buildings, which the insured owns or for which the insured is responsible situated as noted in the schedule, including all outbuildings thereto (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise noted in the schedule) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, posts, fences, tarred or paved roads, driveways, paths or parking areas excluding water heating systems and pressurised water pipes by the following.

1. Fire, lightning, thunderbolt, explosion.
2. Storm, wind, water, hail or snow, excluding damage to property:
 - a) arising from its undergoing any process necessarily involving the use or application of water;
 - b) caused by tidal wave originating from earthquake;
 - c) in the underground working of any mine;
 - d) being retaining walls; and/or
 - e) caused or aggravated by subsidence or landslip.
3. If water heating systems are specified separately, loss or damage caused by bursting of water heating systems (which include geysers, solar water heating systems and boilers), water supply-tanks, cisterns and pressurised water pipes forming a permanent part of the building. The resultant damage caused by the water is covered under 2.
4. Earthquake.
5. Aircraft and other aerial devices or articles dropped there from.
6. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes, vehicle or property in or on such vehicles.
7. Theft or attempted theft accompanied by visible signs of forced or violent entry into or exit from such building.

If any building insured becomes vacant, abandoned, empty, illegally occupied or unoccupied for more than 30 consecutive days, the insurance in respect of this sub-section is suspended as regards the property affected.

During the period of the initial 30 consecutive days while the building is unoccupied, the insured shall become a co-insurer with OUTsurance and shall bear a proportion of any damage equal to the percentage noted in the schedule of the claim before deduction of any first amount payable.

8. Accidental damage to sanitary ware.

Specific exceptions

1. **This insurance does not cover damage to property:**
 - a) caused by volume changes in any clay-based soil or in rock caused by changes in their moisture or water content; or
 - b) caused by defects in the design or construction of the building, or where the structure would not have been approved by the relevant local authority at the time of construction.
 - c) caused by settlement, shrinkage or expansion of soil due to the change in moisture content caused by extreme weather conditions like drought or wet seasons.

Specific conditions

1. **Average**

If the sum insured is less than the total value of the insured property OUTsurance shall pay only such proportion as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

Sub-Section B Public supply connections**Defined events**

Accidental damage to water, sewerage, gas, electricity and telecommunication connections belonging to the insured or for which they are legally responsible between the property insured and the public supply or mains up to the amount noted in the schedule.

Sub-Section C Rent**Defined events**

OUTsurance will pay the amount of rent receivable, rent payable or rental value defined hereunder in the event of the premises noted in the schedule being rendered unfit to occupy in consequence of damage by an event defined under this section but only for the period necessary for reinstatement and for an amount not exceeding the percentage of the sum insured noted in the schedule

1. Rent receivable – the actual rent receivable by the insured at the time of the event in respect of the said premises.
2. Rent payable – the actual rent payable by the insured to the owner or landlord of the said premises.
3. Rental value – the actual rental value of the said premises.

Sub-Section D Liability**Defined events**

Damages for which the insured shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person (hereinafter termed injury) or accidental loss of or physical damage to tangible property (hereinafter termed damage) occurring during the period of insurance on the property insured and arising from the insured's ownership thereof.

Specific exceptions

OUTsurance will not indemnify the insured under this sub-section in respect of

1. Injury or damage sustained by:
 - a) any member of the same household as the insured;
 - b) any employees or contract workers of the insured arising directly from and in the course of such employment or services rendered; and/or
 - c) any other person resulting from the ownership, possession, maintenance, repair, operation or use of mechanically propelled vehicles (except pedal cycles and lawnmowers)
2. Damage to property:
 - a)
 - i. belonging to the insured; and
 - ii. in the custody or control of the insured or any employees of the insured.
 - b) caused directly or indirectly by vibration or by the removal or weakening of or interference with support to any land, building or other structure
3. Liability assumed by agreement unless liability would have attached to the insured notwithstanding such agreement.
4. Liability in respect of injury, damage or loss of use of property caused directly or indirectly by seepage, pollution or contamination or the costs of removing, nullifying or cleaning up seeping, polluting or contaminating substances except where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence.
5. Fines, penalties, punitive, exemplary or vindictive damages.
6. Damages in respect of judgements delivered, awarded or settlements made, including costs recovered by any claimant from the insured, otherwise than by a court of competent jurisdiction within the Republic of South Africa and Namibia.

Specific conditions

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

Definitions

1. **The limit of indemnity**
The amount payable inclusive of any legal costs recoverable from the insured by a claimant for an event shall not exceed the amount noted in the schedule.

Additional perils (if noted in the schedule to be included)

1. **Loss or damage unoccupied buildings extension**
 - a) Sub-section A, Defined Events 7. is replaced by the following:
Theft or attempted theft accompanied by visible signs of forced or violent entry into or exit from such building.
If any building insured becomes vacant, abandoned, empty or illegally occupied, the insurance in respect of this sub-section is suspended as regards the property affected.
 - b) The Malicious damage extension is replaced by the following:
Damage caused by the deliberate or wilful act of any person committed with the intention of causing such damage other than
 - i. Loss or damage to movable or immovable property which is:
 1. stolen,
 2. damaged in an attempt to steal it, or
 3. damaged whilst breaking into or out of the insured premises, or any attempt thereat
 4. caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees
 5. caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent

Provided that this extension does not cover

 - a) damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation; and
 - b) if any building insured becomes vacant, abandoned, empty or illegally occupied, the insurance in respect of this extension is suspended as regards the property affected.
2. **Subsidence and landslip extension to Sub-Section A**
Sub-section A of this section is extended to cover damage caused by subsidence or landslip subject to the building foundations and construction being designed and approved by a licensed structural engineer.

This extension does not cover:
 - a) damage to drains, water courses, retaining walls; and
 - b) damage caused by or attributable to:
 - i. faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises;
 - ii. workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises; and
 - iii. excavation on or under land other than excavations in the course of mining operations.
3. **Power surges extension**
Loss or damage to the property insured caused by power surges and dips.
4. **Riot and strike extension**
Sub-section A, B and C of this section are extended to cover loss or damage caused by:
 - a) civil commotion, labour disturbances, riot, strike or lockout; and
 - b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

5. Water heating systems and pressurised water pipes wear-and-tear

Loss of or damage to the water heating systems and pressurised water pipes caused by rust, decay, gradual deterioration, wear-and-tear, cracking and splitting to a water heating system, its parts and any concealed pipes. The cost of repairing or replacing the water heating system, its parts and any concealed pressurised water pipes is covered in full.

General exception 8 ii a) is deleted for this extension only.

This extension does not cover sewerage pipes.

6. Trustees liability

The defined events are extended to include damages for which the insured or any associated trustees are legally liable arising from any wrongful act.

Provided that:

- a) the limits of indemnity shall not exceed the amount noted in the schedule; and/or
- b) the insured amount noted in the schedule is also the maximum amount payable for the annual period of insurance which is based on the renewal date of this policy.

Provided that this extension does not cover:

- a) any liability for the payment of Value Added Tax;
- b) any remuneration or other monies to which the Insured or trustees are legally entitled; and
- c) any trustees committing any wrongful acts knowing such actions to be illegal, fraudulent or of malicious intent, however this shall not apply to any innocent party affected by such acts.

Clauses and extensions

1. Reinstatement value conditions clause (if noted in the schedule to be included)

In the event of property other than stock being damaged, the amount payable will be calculated based on the cost of replacing or reinstating with property on the same site of the same kind but not superior to the insured property when new, provided that:

- a) the work of replacement or reinstatement (which may be carried out upon another site subject to the liability of OUTsurance not being increased) must be commenced and carried out with reasonable despatch.
- b) OUTsurance shall only be liable for payment once expenditure has been incurred by the insured in replacing or reinstating the property.

These conditions shall be without force or effect if

- a) The insured fails to inform OUTsurance within six months of the date of damage or such further time as OUTsurance may in writing allow, his intention to replace or reinstate the property.
- b) The insured is unable or unwilling to replace or reinstate the property on the same or another site.

2. Security firms (applicable to Sub-Section D)

If the insured enters into a contract with a security firm in the course of the insured's business, the security firm's personnel will be regarded as being the insured's employees and this sub-section will include legal liability for loss or damage caused by these employees.

If the security firm has its own Public Liability cover under another insurance policy, OUTsurance will only pay the difference between the claim amount and the limit of cover under that policy.

3. Prevention of access extension to Sub-Section C

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

4. Alterations and misdescriptions clause

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy

- a) due to the transfer of processes or machinery;
- b) by virtue of acquisition of additional premises;
- c) due to structural alterations or repairs to buildings, machinery or plant

provided that notice is given to OUTsurance as soon as possible after such event.

5. Architects' and other professional fees clause

The insurance under sub-section A includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement of the property insured following damage by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

6. Capital additions clause

The insurance under this section covers alterations, additions and improvements to the property for an amount not exceeding 15% of the sum insured thereon, the insured must advise OUTsurance of such alterations, additions and improvements as soon as possible.

7. Cost of demolition and clearing and erection of hoardings clause

The insurance under this section include reasonable costs:

- a) in respect of the demolition of buildings;
- b) in respect of the removal of debris; and
- c) of providing, erecting and maintaining hoardings required during demolition, site clearing or building operations.

following damage to the property insured by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected.

OUTsurance will not pay for any costs:

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

8. Fire extinguishing charges clause

Any reasonable costs relating to the extinguishing or fighting of fire shall be payable in addition to any other payment for which OUTsurance may be liable in terms of this section provided the insured is legally liable for such costs and the insured property was in danger from the fire.

9. Mortgagee clause

The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall inform OUTsurance as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by OUTsurance.

10. Municipal plans scrutiny fee clause

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

11. Public authorities' requirement clause

The insurance under this section includes such additional cost of repairing or rebuilding the damaged property incurred solely to comply with building or other regulations under any act of parliament or ordinance of any provincial, municipal or other local authority provided that:

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

12. Railway and other subrogation clause

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

13. Temporary removal clause

The property insured is covered whilst temporarily removed elsewhere to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi, provided that:

- a) the temporary removal is for the purpose of cleaning, renovation, repair or similar process, otherwise the liability of OUTsurance shall not exceed 15% of the sum insured applicable to any item; and/or
- b) the amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the property is temporarily removed.

14. Tenants clause

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

15. Escalation clause extension (if noted in the schedule to be included)

During each period of insurance, the sum (s) insured under sub-section A of this section shall be increased by that portion of the percentage noted in the schedule which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the sum (s) insured in force at the commencement of the period of insurance.

At each renewal date, the insured shall notify OUTsurance 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.

The additional premium for this extension shall be 50% of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

16. Malicious damage extension

Damage caused by the deliberate or wilful act of any person committed with the intention of causing such damage other than

- a) Loss or damage to movable or immovable property which is
 - i. stolen,
 - ii. damaged in an attempt to steal it, and
 - iii. damaged whilst breaking into or out of the insured premises, or any attempt thereat.
 - iv. caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees
 - v. caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent

Provided that this extension does not cover

- a) Damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation

If any building insured becomes vacant, abandoned, empty, illegally occupied or unoccupied for 30 consecutive days, the insurance in respect of this extension is suspended as regards the property affected.

During the period of the initial 30 consecutive days while the building is unoccupied, the insured shall become a co-insurer with OUTsurance and shall bear a proportion of any damage equal to the percentage noted in the schedule of the claim before deduction of any first amount payable.

OFFICE CONTENTS

Sub-Section A: Contents

Defined events

Loss of or damage occurring inside the Republic of South Africa to the contents situated as noted in the schedule including:

1. movable property, such as furniture, movable plant and machinery and electrical equipment belonging to the insured or for which they are responsible; and
2. all other contents;

excluding:

1. stock and materials in trade;
2. electronic equipment;
3. vehicles (such as motorcars, motorised scooters, LDVs, caravans, trailers, aircraft and watercraft) and accessories therefor; and
4. property more specifically insured;

caused by:

1. fire, lightning, thunderbolt, subterranean fire, explosion;
2. storm, wind, water, hail or snow excluding damage to property;
 - a) arising from its undergoing any process necessarily involving the use or application of water;
 - b) caused by tidal wave originating from earthquake;
 - c) in the underground working of any mine; and
 - d) caused by subsidence or landslip.
3. Earthquake (excluding underground workings of a mine).
4. Aircraft and other aerial devices or articles dropped therefrom.
5. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.
6. Accidental damage to mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.

Specific conditions

Average

If the sum insured is less than the total value of the insured property OUTsurance shall pay only such proportion as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

If a separate sum insured is shown next to an additional peril representing a first loss limit, the above paragraph will be substituted with:

If the sum insured is less than the total value of the insured property, OUTsurance shall pay only such proportion of the first loss limit as the sum insured for fire damage bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

Definitions

1. Electronic equipment

The term Electronic equipment will include the following equipment defined accordingly:

- a) **Electronic data processing equipment.** Including but not limited to computers and electronic apparatus for processing and calculations or controlling functions which are expressible in numeric or logic terms. The term electronic data processing equipment should mean computer equipment which shall include items such as laptops, palmtops, monitors, keyboards, mouse, other related hardware, peripherals and computer software and the information or data stored therein or thereon.
- b) **Other electronic equipment** where the equipment cannot perform their basic function without electronic components (Including but not limited to vacuum tubes, transistors, diodes, integrated circuits) eg. cell phones, televisions, video equipment, decoders, audio systems, digital photographic equipment, digital telephonic equipment, digital printing/scanning equipment.

Sub-Section B: Rent

Defined events

OUTsurance will pay the amount of rent payable or rental value defined hereunder in the event of the office premises noted in the schedule being rendered unfit to occupy, in consequence of damage by an event defined under sub-section A, but only for the period necessary for reinstatement and for an amount not exceeding the percentage of the sum insured noted in the schedule or value (whichever is the lower) of all contents of the office premises affected.

1. Rent payable – the actual rent payable by the insured to the owner or landlord of the said premises.
2. Rental value – the actual rental value of the said premises.

Office premises

For the purpose of this sub-section the term office premises shall be defined as the premises as described in the schedule.

Sub-Section C: Documents

Defined events

Loss of or damage to Documents insured under this sub-section normally kept at the office premises by any peril not specifically excluded.

Specific exceptions

This sub-section does not cover:

1. loss or damage directly or indirectly caused by:

- a) electric or electronic, magnetic erasure of electronic or magnetic recordings except by lightning;
 - b) vermin or inherent defect or by processing, copying or other work upon the documents; and
 - c) the dishonesty of any principal, partner, director or member of the insured. This exception shall not apply to any director or member who is also an employee of the insured and whom the insured has the right at all times to control and direct in the performance of his work.
2. Costs involved in reshooting films and videos and rerecording audio tapes.

Documents

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 the insured in the business and owned by them or for which they 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.

Sub-Section D Legal liability documents

Defined events

Legal liability as a direct consequence of loss of or damage to documents as defined in sub-section C and in respect of which liability is admitted by OUTsurance under sub-section C.

Sub-Section E Increase in cost of working

Defined events

Any additional expenditure not otherwise provided for in this section reasonably incurred by the insured for the purposes of maintaining the normal operation of the business in consequence of loss or damage in respect of which liability is admitted by OUTsurance under sub-sections A or C.

The indemnity under this sub-section shall not exceed the percentage of the sum insured noted in the schedule on all contents of the office premises affected.

Additional perils (if noted in the schedule to be included)

1. Theft by forced entry extension

Theft or attempted theft accompanied by visible signs of forcible or violent entry into or exit from the office.

- a) OUTsurance will not be liable under this extension for theft or attempted theft by any principal, partner, director, member or any of their household members or employees of the insured.
- b) OUTsurance will not be liable for loss or damage to property if the building becomes vacant, abandoned, empty, illegally occupied or unoccupied for more than 30 consecutive days.

During the period of the initial 30 consecutive days while the building is unoccupied, the insured shall become a co-insurer with OUTsurance and shall bear a proportion of any damage equal to the percentage noted in the schedule of the claim before deduction of any first amount payable.

- c) The maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

2. Theft extension

Theft or attempted theft from the office.

- a) OUTsurance will not be liable under this extension for theft or attempted theft by the insured, any principal, partner, director, member or any of their household members or employees of the insured.
- b) OUTsurance will not be liable for loss or damage to property if the building becomes vacant, abandoned, empty, illegally occupied or unoccupied for more than 30 consecutive days.

During the period of the initial 30 consecutive days while the building is unoccupied, the insured shall become a co-insurer with OUTsurance and shall bear a proportion of any damage equal to the percentage noted in the schedule of the claim before deduction of any first amount payable.

- c) The maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

3. Loss or damage unoccupied buildings extension

- a) If Theft by forced entry extension is taken out and is noted in the schedule to be included, it is replaced by the following.

Theft or attempted theft accompanied by visible signs of forcible or violent entry into or exit from the office.

- i. OUTsurance will not be liable under this extension for theft or attempted theft by any principal, partner, director, member or any of their household members or employees of the insured.
- ii. OUTsurance will not be liable for loss or damage to property if the building becomes vacant, abandoned, empty or illegally occupied.
- iii. The maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

- b) If Theft extension is taken out and is noted in the schedule to be included, it is replaced by the following.

Theft or attempted theft from the office.

- i. OUTsurance will not be liable under this extension for theft or attempted theft by the insured, any principal, partner, director, member or any of their household members or employees of the insured.
- ii. OUTsurance will not be liable for loss or damage to property if the building becomes vacant, abandoned, empty or illegally occupied.
- iii. The maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

- c) The Malicious damage extension is replaced by the following.

Sub-sections A, B and C are extended to cover damage caused by the deliberate or wilful or wanton act of any person committed with the intention of causing such damage other than:

- a) Loss or damage to movable or immovable property which is:
 - i. stolen,
 - ii. damaged in an attempt to steal it, and/or
 - iii. damaged whilst breaking into or out of the insured premises, or any attempt thereat.
 - iv. caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees
 - v. caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent

Provided that this extension does not cover

- a) damage directly or indirectly resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation; and
- b) if any building insured becomes vacant, abandoned, empty or illegally occupied, the insurance in respect of this extension is suspended as regards the property affected.

4. Power surges extension

Loss or damage to the property insured caused by power surges and dips.

5. Riot and strike extension

Sub-sections A, B and C of this section are extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; and
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

6. Subsidence and landslip extension

Sub-sections A, B and C of this section are extended to cover damage caused by subsidence or landslip subject to the building foundations and construction being designed and approved by a licensed structural engineer.

This extension does not cover damage caused by:

- a) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises;
- b) workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises; and/or
- c) excavation on or under land.

7. Accidental damage extension

Loss or damage to the property insured caused accidentally for which more specific insurance has not been arranged or is not available in terms of this policy.

This extension does not cover damage:

- a) directly or indirectly caused by overheating, denting, chipping, scratching or cracking which does not affect the operation of the item; and/or
- b) to furs, jewellery, precious and semi-precious metals and stones, curios, rare books, works of art, china, earthenware, marble and other fragile or brittle items.

The maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

Clauses and extensions

1. All other contents clause

The term all other contents referred to under sub-section A Defined Events includes, but is not restricted to, personal effects and tools belonging to the insured or directors or members or employees of the insured in so far as such property is not otherwise insured.

The benefit under this extension is limited to the amount noted in the schedule per person in respect of property lost or damaged whilst on the insured's premises.

2. Limitations clause

OUTsurance's liability under sub-section A is restricted in respect of:

- a) money and stamps to the limit noted on the schedule; and
- b) documents, manuscripts, business books, plans, computer systems records and media, designs, patterns, models and moulds to the value of materials and sums expended in labour.

OUTsurance's liability under sub-section C is limited to all costs, charges and expenses incurred by the insured in replacing or restoring such documents.

3. Prevention of access extension to Sub-Section B

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

4. Fire extinguishing charges clause

Any costs relating to the extinguishing or fighting of fire shall be payable in addition to any other payment for which OUTsurance may be liable in terms of this section provided the insured is legally liable for such costs and the insured property was in danger from the fire.

5. Locks and keys clause

In addition to the limit of indemnity noted in the schedule, OUTsurance will indemnify the insured for the cost of replacing locks and keys to any insured premises following the loss or damage of any key to such premises or following the insured believing that any unauthorised person may be in possession of a duplicate of such key, provided that OUTsurance's liability shall not exceed the amount noted in the schedule.

6. Removal of debris clause

The insurance under this section is extended to include costs in respect of the removal of debris following loss of or damage to the insured property by defined event,

provided that the total amount recoverable shall not exceed the sum insured on the property affected.

OUTsurance will not pay for any costs:

- a) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site; and
- b) directly or indirectly arising from pollution or contamination of property not insured by this section.

7. Tenants clause

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

8. Replacement value condition

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

9. Alterations and misdescriptions clause

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy

- a) due to the transfer of processes or machinery;
- b) by virtue of acquisition of additional premises; and/or
- c) due to structural alterations or repairs to buildings, machinery or plant;

provided that notice is given to OUTsurance as soon as practicable after such event.

10. Capital additions clause

The insurance under this section covers alterations, additions and improvements to the property for an amount not exceeding 15% of the sum insured thereon, it being understood that the insured undertakes to advise OUTsurance of such alterations, additions and improvements as soon as practicable.

11. Temporary removal clause

The property insured is covered whilst temporarily removed elsewhere to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi, provided that:

- a) the temporary removal is for the purpose of cleaning, renovation, repair or similar process, otherwise the liability of OUTsurance shall not exceed 15% of the sum insured applicable to any item; and
- b) the amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the property is temporarily removed.

12. Temporary repairs and measures after loss clause

Sub-sections A, B and C are extended to include all reasonable costs incurred by the insured in effecting temporary repairs and by taking temporary measures as may be reasonably necessary after loss of or damage to the insured property by a defined event, provided that the liability of OUTsurance shall not exceed the sum insured noted in the schedule.

13. Malicious damage extension

Sub-sections A, B and C are extended to cover damage caused by the deliberate or wilful or wanton act of any person committed with the intention of causing such damage other than:

- a) loss or damage to movable or immovable property which is:
 - i. stolen,
 - ii. damaged in an attempt to steal it, and
 - iii. damaged whilst breaking into or out of the insured premises, or any attempt thereat.
 - iv. caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees
 - v. caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent

Provided that this extension does not cover

- a) Damage directly or indirectly resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation

If any building insured becomes vacant, abandoned, empty, illegally occupied or unoccupied for 30 consecutive days, the insurance in respect of this extension is suspended as regards the property affected.

During the period of the initial 30 consecutive days while the building is unoccupied, the insured shall become a co-insurer with OUTsurance and shall bear a proportion of any damage equal to the percentage noted in the schedule of the claim before deduction of any first amount payable.

Defined events

Loss following interruption of business in consequence of damage occurring during the period of insurance at the premises in respect of which liability admitted under:

1. the Fire section of this policy;
2. the Buildings Combined section of this policy;
3. the Office Contents section of this policy; and
4. any other material damage or loss insurance;

only in respect of perils insured under the fire section hereof (hereinafter termed Damage), unless otherwise noted in the schedule.

OUTsurance will indemnify the insured in accordance with the provisions of the specification herein.

Specific conditions

1. The insurance under this section shall cease if:
 - a) the business is wound up, liquidated or permanently discontinued;
 - b) the insured's interest ceases other than by death; and/or
 - c) any alteration is made or admitted by the insured whereby the risk of accident is increased.
2. Any Damage for which a claim may be submitted under this section the insured shall do everything reasonably possible to minimise the interruption of the business or to avoid the loss.

In the event of a claim under this section the insured shall deliver a statement providing particulars of their claim to OUTsurance within 30 days from the expiry of the indemnity period.

Item 1 Gross profit

This item is insured on either the difference basis or the additions basis as defined in the definitions clause below and is noted in the schedule.

The insurance under this item is limited to loss of gross profit due to:

1. reduction in turnover; and
2. increase in cost of working.

And the amount payable as indemnity hereunder shall be:

1. In respect of reduction in turnover

the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period fall short of the standard turnover in consequence of the Damage.

2. In respect of increase in cost of working

the additional reasonable expenses incurred for the purpose of avoiding or diminishing the reduction in turnover which would have taken place during the indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided.

Less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of gross profit as may cease or be reduced in consequence of the Damage.

Provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

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

Item 2 Gross rentals

The insurance under this item is limited to:

1. loss of gross rentals; and
2. increase in cost of working.

And the amount payable as indemnity hereunder shall be:

1. In respect of loss of gross rentals

the amount by which the gross rentals during the indemnity period fall short of the standard gross rentals in consequence of the Damage.

2. In respect of increase in cost of working

the additional reasonable expenses incurred for the purpose of avoiding or diminishing the loss of gross rentals which would have taken place during the indemnity period in consequence of the Damage, but not exceeding the amount of the loss of gross rentals thereby avoided.

Less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of gross rentals as may cease or be reduced in consequence of the Damage.

Provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross rentals is less than the annual gross rentals where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual gross rentals where the maximum indemnity period exceeds 12 months.

Item 3 Revenue

The insurance under this item is limited to:

1. loss of revenue; and
2. increase in cost of working.

And the amount payable as indemnity hereunder shall be:

1. In respect of loss of revenue

the amount by which the revenue during the indemnity period fall short of the standard revenue in consequence of the Damage.

2. In respect of increase in cost of working

the additional reasonable expenses incurred for the purpose of avoiding or diminishing the loss of revenue which would have taken place during the indemnity period in consequence of the Damage, but not exceeding the amount of the loss of revenue thereby avoided.

Less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of revenue as may cease or be reduced in consequence of the Damage.

Provided that the amount payable shall be proportionately reduced if the sum insured in respect of revenue is less than the annual revenue where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual revenue where the maximum indemnity period exceeds 12 months.

Item 4 Additional increase in cost of working

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

Item 5 Wages (number of weeks basis)

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

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

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

Item 6 Fines and penalties for breach of contract

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

Definitions

1. Indemnity period

The period beginning with the commencement of the Damage and ending not later than the number of months thereafter noted in the schedule during which the results of the business shall be affected in consequence of the Damage.

2. Turnover

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

3. Revenue

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

4. Gross rentals

The money paid or payable to the insured by tenants in respect of rental of the premises and for services rendered.

5. Gross profit (difference basis)

The amount by which

- a) The sum of the turnover and the amount of the closing stock

Shall exceed

- b) The sum of the amount of the opening stock and the amount of the uninsured costs and the amount of stock purchases.

The amount of the opening and closing stocks shall be arrived at in accordance with the insured's normal accountancy methods, due provision being made for depreciation.

6. Uninsured costs

The sum of the business's variable cost, variable cost being the costs that change in proportion to the level of goods or services that a business produces.

7. Gross profit (additions basis)

The sum produced by adding to the net profit the amount of the insured standing charges or, if there is no net profit, the amount of the insured standing charges less such proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.

8. Net profit

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

9. Insured standing charges

The sum of the business's expenses that are not dependent on the level of goods or services produced by the business.

10. Standard turnover **

The turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the indemnity period.

11. Standard revenue **

The revenue during that period in the 12 months immediately before the date of the Damage which corresponds with the indemnity period.

12. Standard gross rentals **

The gross rentals during that period in the 12 months immediately before the date of the Damage which corresponds with the indemnity period.

13. Annual turnover **

The turnover during the 12 months immediately before the date of the Damage.

14. Annual revenue **

The revenue during the 12 months immediately before the date of the Damage.

15. Annual gross rentals **

The gross rentals during the 12 months immediately before the date of the Damage.

16. Rate of gross profit **

The rate of gross profit earned on the turnover during the financial year immediately before the date of the Damage.

** to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred.

Note

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

If the Damage occurs before the completion of the first year's trading of the business at the premises, the value of terms 10 to 16 above shall be calculated by using values proportionate to the results obtained from commencement of the business to the date of Damage.

Additional perils (if noted in the schedule to be included)

1. Extensions to other premises

This section is extended to cover loss resulting from interruption of the business in consequence of perils insured under the fire section only at the undernoted situations

a) Specified suppliers/sub-contractors

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

b) Unspecified suppliers

The premises of any other of the insured's suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any public supply undertaking from which the insured obtains electricity, gas or water subject to the limit noted in the schedule.

c) Prevention of access – extended cover

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

d) Customers

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

e) Public utilities – insured perils only

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

f) Public utilities – extended cover

Loss as insured from interruption of the business in consequence of failure of the public supply of water, gas or electricity to the premises of the insured shall be deemed to have resulted from Damage provided that this extension does not cover loss resulting from damage directly or indirectly caused by:

- i. drought,
- ii. pollution of water,
- iii. shortage of fuel or water,
- iv. a fault on any part of the installation belonging to the premises,
- v. a decision by any authority to legally withhold water, gas or electricity from the insured unless such decision is directly attributable to Damage to property of such authority, and
- vi. any event described in General exception 1 and 2, but cover provided by the Malicious damage extension in the underlying material damage section of this policy is not excluded.

In respect of interruption of the business arising from mechanical, electrical or electronic breakdown, there shall be no liability under this extension unless the interruption of the business of the insured extends beyond 24 hours.

g) Public telecommunications – insured perils only

- i. Property at the premises of any public authority which is empowered by law to supply a telecommunications policy to the insured
- ii. The transmission facilities network of the public authority mentioned in i.

h) Public telecommunications – extended cover

Loss as insured resulting from interruption of the business in consequence of the failure of the public telecommunication facilities to the premises of the insured shall be deemed to have resulted from Damage provided this extension does not cover loss resulting from damage caused by:

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

If the failure of the policy is due to its mechanical or electrical or electronic breakdown, there shall be no liability under this extension unless the interruption of the business of the insured extends beyond 24 hours.

Geographical limits

For a the cover is worldwide.

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

2. Accidental damage

Loss following interruption with business in consequence of damage occurring during the period of insurance at the premises in respect of which liability admitted under Defined events (i) of the Accidental damage section of this policy.

3. Theft

Loss following interruption or interference with the business in consequence of loss or damage occurring during the period of insurance at the premises in respect of which liability admitted under the Theft section of this policy.

4. Machinery breakdown

Loss following interruption with the business in consequence of loss or damage occurring during the period of insurance at the premises in respect of which liability admitted under the Machinery Breakdown section of this policy (hereinafter termed Damage).

Provided that this extension does not cover the following.

- a) Loss of business due to causes such as suspension, lapse or cancellation of a lease or license that occurs after the date when the machinery and plant affected by an accident is again in operating condition and the business could have been resumed if the aforesaid lease or license had not been suspended, lapsed or cancelled.
- b) OUTsurace shall not be liable under this section in respect of the prolongation of any period of interruption of the business resulting from the operation of:
 - i. any gazetted law of the Republic of South Africa, including any exchange control regulation, directed against any other country;
 - ii. any law of a foreign country or international law directed against the Republic of South Africa; and/or
 - iii. any economic sanctions, conventions, trade embargoes, boycotts, strikes or actions directed against the Republic of South Africa, other than occurring within the borders of the Republic of South Africa.

Provided that

- a) Should at any time after the commencement of this section the retention of standby machinery or any other loss-minimising factors in existence when this insurance was effected, be reduced or discontinued or not maintained in an efficient working condition and available for immediate use, then this insurance shall cease unless the continuance of the insurance under this section is confirmed by OUTsurace.
- b) On the happening of any occurrence that may result in a claim under this section the insured shall:
 - i. immediately notify OUTsurace of the occurrence and send OUTsurace written confirmation thereof within 48 hours after the aforesaid occurrence;
 - ii. do all things practicable to minimise the extent of any interruption with the business;
 - iii. as far as practicable, without causing any increase in the period of interruption with the business, take precautions to preserve any things that might prove necessary by way of evidence in connection with any claim; and/or
 - iv. discontinue the use of any damaged machinery and plant. OUTsurace shall not be liable in respect of any further interruption with the business arising out of the continued use of any damaged machinery and plant.
- c) In the event of an accident to any machinery and plant that may result in a claim under this section OUTsurace shall have the right to take over and control all necessary repairs or replacements.

Clauses and extensions

1. Accountants clause

Any particulars or details contained in the insured's books of account or documents which may be required by OUTsurace under this section for the purpose of investigating or verifying any claim hereunder, may 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.

2. Departmental clause

If the business is conducted in departments or branches, the independent trading results of which can be determined, the provisions under Items 1, 2 or 3 relating to reduction in turnover/gross rentals/revenue and increase in cost of working, shall apply separately to each department or branch affected by the Damage.

If the sum insured by the relative item is less than the aggregate for each department or branch, whether or not affected by the Damage, the amount payable shall be proportionately reduced.

3. Output (alternative basis) clause

At the option of the insured, the term output may be substituted for the term turnover and shall mean the sale or transfer value, as shown in the insured's books, of goods manufactured or processed by the insured at the premises provided that:

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

If, during the indemnity period, goods shall be manufactured or processed elsewhere than at the premises for the benefit of the business either by the insured or by others on behalf of the insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the indemnity period.

4. Extension to other premises

This section is extended to cover loss resulting from interruption of the business in consequence of perils insured under the fire section only at the undernoted situations.

a) Storage, transit and vehicle

Property of the insured whilst stored or whilst in transit by air, road, rail or inland waterway or being motor vehicles of the insured elsewhere than at premises occupied by the insured.

b) Contract sites

Any situation not occupied by the insured where the insured is carrying out a contract.

c) Prevention of access

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

Geographical limits

a, b and c of the extensions to other premises clause are confined to the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi.

5. Salvage sale clause

If the insured shall hold a salvage sale during the indemnity period the final claim settlement will be reduced by the gross profit earned from the sale.

ACCOUNTS RECEIVABLE

Defined events

Loss or damage to the insured's books of account as a result of accident or misfortune at the premises or at the residence of any director, member, partner, employee or any accountant of the insured, in consequence of the insured being unable to establish the outstanding debit balances. The liability of OUTsurance shall not exceed the sums insured noted in the schedule.

If the books of account are removed to a place of safety because of imminent danger of their destruction, the insurance hereunder shall apply if such goods are destroyed, damaged or lost during such removal, provided the insured shall notify OUTsurance in writing of such removal within 30 days thereafter.

OUTsurance will also pay the reasonable collection costs and expenses incurred by the insured in excess of normal collection cost and expenses necessarily incurred because of the loss or damage. The additional collection costs and expenses payable by OUTsurance will be limited to the amount of recoveries it incurs.

Specific exceptions

OUTsurance shall not be liable for loss or damage directly or indirectly caused by:

1. electrical, electronic or magnetic erasure unless the insured maintains the duplicate records referred to in the duplicate records clause of this section; and/or
2. fraud or dishonesty of any principal, director, member, partner or a member of their household or employees of the insured.

Specific conditions

The insurance under this section is limited to the loss sustained by the insured in respect of outstanding debit balances directly due to loss or damage and the amount payable shall not exceed:

1. The difference between
 - a) The outstanding debit balances and
 - b) The total of the amounts received or traced in respect thereofplus
2. The additional expenditure incurred in tracing and establishing debit balances. If the sum insured under this item is less than the outstanding debit balances, the amount payable shall be proportionately reduced.

Definitions

1. Outstanding debit balances

The total declared in the statement last given under the provisions of the total outstanding debit balances adjusted for:

- a) bad debts;
- b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the incident) to customers' accounts in the period between the date to which said last statement relates and the date of incident; and/or
- c) any abnormal condition of trade which had or could have had a material effect on the business.

So that the figures adjusted shall represent as nearly as possible those which would have been obtained at the date of the loss or damage had the incident not occurred.

Additional perils (if noted in the schedule to be included)

1. Riot and strike extension

This section is extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; and/or
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

2. Transit extension

The insurance under this section includes loss or damage whilst the accounts are in transit to or from the premises or residence of any director, member, partner, employee or accountant of the insured.

3. Duplicate records

The insured shall maintain duplicates of their books of account or other business books or records containing details of outstanding balances and such duplicates shall be stored at different premises from the originals.

4. Protections

The insured's books of account, or other business books or records containing details of outstanding balances, must be kept in a fire-resistant safe, cabinet or strongroom outside business hours unless they are being worked on or are required for immediate reference.

Clauses and extensions

1. Accountants clause

Any particulars or details contained in the insured's books of account which may be required by OUTsurance under this section for the purpose of investigating or verifying a claim, may 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.

Defined events

Loss or damage to property of the insured or property for which they are responsible at the insured premises or all other contents noted on the schedule as a result of theft or attempted theft accompanied by visible signs of forced and violent entry into or exit from the building.

Specific exceptions

OUTsurance shall not be liable for loss or damage directly or indirectly caused to the following:

1. Property more specifically insured elsewhere.
2. Cash, bank and currency notes, cheques, postal orders, money orders, current negotiable stamps and documents or certificates of a negotiable nature.
3. Property in which any principal, partner, director or any member of the insured's household or any of the insured's employees is concerned as principal or accessory.
4. Property if the building becomes vacant, abandoned, empty, illegally occupied or unoccupied for more than 30 consecutive days.

During the period of the initial 30 consecutive days while the building is unoccupied, the insured shall become a co-insurer with OUTsurance. The insured shall bear a proportion of any damage equal to the percentage noted in the schedule of the claim before deduction of any first amount payable.

5. Goods outside the building.
6. Property where the damage was caused by any event defined under the Fire section, except in the case of explosion caused in an attempt to effect entry.
7. Property insurable, and caused by a defined event, under a glass insurance policy.
8. Counterfeit items.
9. Stock where the damage was caused by deterioration, unless added as an additional peril.
10. Property where the loss or damage was caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees.
11. Property where the loss or damage was caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent.

Specific conditions

Average

If the sum insured is less than the total value of the insured property OUTsurance shall pay only such proportion as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

If a separate sum insured is shown next to an additional peril representing a first loss limit, the above paragraph will be substituted with:

If the sum insured for fire damage is less than the total value of the insured property, OUTsurance shall pay only such proportion of the first loss limit as the sum insured for fire damage bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

Clauses and extensions

1. Stock Seasonal Increase extension (if noted in the schedule to be included)

If this clause was selected under the Fire section, the sum insured of the property insured under Column 4 - Stock Inside and Stock Outside will be automatically increased by the percentage in the month(s) selected by the insured as noted in the schedule under the Fire section.

2. Concealed thieves/Skeleton Keys

The insurance is extended to cover loss or damage to the property insured:

- a) Caused by:
 - i. a thief or thieves being concealed on the insured premises before close of business; and/or
 - ii. entry to and/or exit from the premises being effected by use of a skeleton key or other similar device (excluding a duplicate key) provided that the insured shall establish to the satisfaction of OUTsurance that such a skeleton key or device was used.

3. Damage to buildings, fixtures and fittings

- a) The insurance under this section includes;
 - i. damage to the buildings (including landlord's fixtures and fittings) at the insured premises in the course of theft or any attempted theft; and/or
 - ii. loss of buildings, landlord's fixtures and fittings at the insured premises as a result of theft or attempted theft accompanied by visible signs of forced and violent entry into or exit from such building.
- b) OUTsurance will reimburse the insured all reasonable costs and expenses in effecting temporary repairs and in taking reasonable temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under this section.

Provided that OUTsurance's liability shall not exceed the amount noted in the schedule in respect of any one event.

4. Locks and keys

OUTsurance will indemnify the insured for the cost of replacing locks and keys to any insured premises following the loss or damage of any key to such premises or following the insured believing that any unauthorised person may be in possession of a duplicate of such key, provided that OUTsurance's liability shall not exceed the amount noted in the schedule.

5. All other contents

The term "all other contents" includes personal effects and tools belonging to the insured or any principal, partner, director, member or employee of the insured in so far as such property is not otherwise insured up to the amount noted in the schedule per person.

6. Limitations clause

OUTsurance's liability in respect of documents, manuscripts, business books, computer system records and media, plans, designs, patterns, models and moulds is restricted to the reasonable value of materials and sums expended in labour.

Additional perils (if noted in the schedule to be included)

1. Loss or damage unoccupied buildings extension

Specific exception 4. is replaced by the following:

OUTsurance shall not be liable for loss or damage directly or indirectly caused to property if the building becomes vacant, abandoned, empty or illegally occupied.

2. Theft of goods outside the building

The Defined events are amended as follows.

Loss or damage to:

- a) raw materials;
- b) goods being manufactured or traded; and/or
- c) other goods for which the insured are responsible for and which belong to other parties outside the building or structure which is designed to exist or operate outside at the insured premises noted on the schedule as a result of theft or attempted theft accompanied by visible signs of forced and violent entry into or exit from the premises.

Specific Exception 5 is deleted.

OUTsurance's liability shall not exceed the amount noted in the schedule in respect of any one event.

3. Deterioration of stock extension

Loss of or damage to the property insured under Column 4 of the Fire section caused by the deterioration following damage by a defined event covered under this section only at the undernoted situations.

- a) Insured premises only
- b) Insured premises and premises away from the insured premises

This extension does not cover:

- a) loss arising within the no-claim period noted in the schedule of goods stored in the refrigeration chambers due to deviation from the prescribed refrigeration temperature, unless deterioration is caused by contamination as a result of leakage of refrigerant or by accidental freezing of goods or unless fresh goods that have not yet reached the prescribed refrigeration temperature are affected thereby;

No-claim period is defined as the time period immediately following cessation of cooling during which, with the storage room left sealed, no deterioration takes place;

- b) loss to the goods stored arising as a result of shrinkage, inherent defects or diseases, natural deterioration or decay;
- c) loss arising from improper storage, damage to packing material, insufficient circulation of air, non-uniformity of temperature;
- d) loss caused by temporary repair carried out without OUTsurance's consent of the refrigeration machinery;
- e) penalties for delay, consequential loss or damage or liability of any nature whatsoever; and/or
- f) loss or damage caused by the wilful act or wilful negligence of the insured or his representatives.

This extension shall apply only if:

- a) the refrigeration machinery is insured under this policy;
- b) the insured refrigeration machinery is connected to an automatic alarm system in an attended location;
- c) the stock is not stored in "controlled atmosphere" chambers;
- d) at the time of the loss or damage, the goods are stored in the refrigeration chambers; and/or
- e) the insured maintains on a daily basis stock records in which the type, quantity and value of the goods stored and the beginning and the end of the storage period are entered separately for each refrigeration chamber.

Specific exception 9 of this section is deleted.

Defined events

Loss or damage to money occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe, Mozambique and Malawi.

Provided that the liability of OUTsurance shall not exceed the amounts noted in the schedule.

Definitions**1. Money**

Money shall mean cash, bank and currency notes, cheques, postal orders, money orders, current negotiable postage, revenue and holiday stamps, credit card vouchers and documents, certificates, air time vouchers or other instruments of a negotiable nature, belonging to the insured or for which they are responsible.

2. Receptacle

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

3. Clothing

Clothing shall mean clothing and personal effects not otherwise insured belonging to the insured or to any principal, partner, director, member or employee of the insured.

Specific exceptions

OUTsurance shall not be liable for loss or damage directly or indirectly caused to money.

1. Arising from dishonesty of any principal, partner, director, member, employees of the insured or household members of the aforementioned not discovered within 15 working days of the occurrence thereof
2. Arising from shortage due to error or omission
3. Counterfeit money
4. Arising from the use of keys to any safe or strongroom unless the keys:
 - a) are obtained by violence or threats of violence to any person; and/or
 - b) are used by the keyholder or some other person with the collusion of the keyholder and the insured can prove to the satisfaction of OUTsurance that the keyholder or such other person had used the keys to open the safe or strongroom.
5. In an unlocked safe or strongroom whilst the portion of the premises containing the safe or strongroom is unattended; this exception will not apply if it can be shown to the satisfaction of OUTsurance that the keyholder to the safe or strongroom deliberately left it unlocked with the intention of allowing the money to be stolen
6. Not contained in a locked safe or strongroom whilst the portion of the premises containing the money is unattended; this exception will not apply if it can be shown to the satisfaction of OUTsurance that the person responsible for the money deliberately left it outside the safe or strongroom with the intention of allowing it to be stolen
7. In any vehicle being used by the insured unless a principal, partner, director, member, employee of the insured or household member of the aforementioned is actually in the vehicle or within 5 metres of it from which the vehicle is clearly visible; this exception shall not apply following an accident involving the vehicle rendering the said person incapacitated

Specific conditions

1. Loss or damage to money as insured under this section arising from dishonesty of the insured, any principal, partner, director or member of the insured or their household members or employees of the insured shall be subject to the first amount payable as noted in the schedule.
2. OUTsurance shall not be liable under this section of the policy in respect of loss or damage arising from any event in respect of which a claim is payable under the fidelity section.

Items**1. Money during business hours**

Loss or damage to money contained inside the building occupied by the insured at the insured premises as noted in the schedule, where the incident occurred inside the insured's usual business hours.

2. Money after business hours

Loss or damage to money contained inside the building occupied by the insured at the insured premises as noted in the schedule, where the incident occurred outside the insured's usual business hours.

3. Money in transit

Loss or damage to money while being taken to or from the address noted in the schedule by the insured, a member, partner, director, employee or professional money carrier.

Additional perils (if noted in the schedule to be included)**1. Money Seasonal Increase extension (if noted in the schedule to be included)**

The sum insured of the property insured under this section will be automatically increased by the percentage in the month(s) selected by the insured as noted in the schedule.

2. Receptacles and clothing

In addition to any payment in respect of a defined event, OUTsurance 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 OUTsurance's liability under this extension shall not exceed the amount noted in the schedule.

3. Locks and keys

OUTsurance will indemnify the insured in respect of the cost of replacing locks and keys to any insured premises or receptacles following the loss or damage of any key to such premises or following the insured believing that any unauthorised person may be in possession of a duplicate of such key provided that OUTsurance's

liability shall not exceed the amount noted in the schedule.

4. Riot and strike extension

This section is extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; and/or
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

5. Skeleton keys

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

6. Personal accident (assault) extension

The term "defined events" in the money section shall be deemed to include bodily injury, caused by accidental or violent external and visible means as a result of theft or attempted theft to the insured or to any principal, partner, director, member or employee of the insured (hereinafter in this extension referred to as such person) while such person is acting in the course of his duties in the insured's employ.

OUTsurance will pay to the insured, on behalf of such person or his estate, the compensation noted in the schedule in the event of bodily injury to such person directly and independently of all other causes resulting within 24 months in:

- a) death, the capital sum;
- b) disability, the percentage of the capital sum as specified in the complete benefits table accompanying the schedule;
- c) in the case of total and absolute incapacity from following usual business or occupation, the weekly sum specified in the schedule shall be payable for the number of weeks also specified in the schedule; and
- d) all expenses incurred for artificial aids, prostheses, medical, surgical, dental, nursing home or hospital treatment, including emergency transportation or freeing such person if trapped as a result of bodily injury and incurred within 24 months of the defined event, up to the sum of the medical expenses noted in the schedule.

Specific conditions applicable to permanent disability benefits

1. Where the injury is not specified OUTsurance will pay such sum as in its opinion is consistent with the above provisions.
2. Permanent total loss of use of part of the body shall be considered as loss of such part.
3. 100% shall be the maximum percentage of compensation payable for disability resulting from one or more accidents arising from one cause in respect of any such person.

Provided that:

- a) OUTsurance shall not be liable to pay in respect of any one such person more than the capital sum plus the sums specified under items 6(c) and (d) above;
- b) the sum specified under item 6(b) shall be payable for not more than the number of weeks noted in the schedule and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible, notwithstanding that permanent disability may remain;
- c) compensation payable under item 6(b) shall be reduced by an amount equal to the compensation received or receivable under any workmen's compensation legislation;
- d) this extension shall only apply to any such person between the ages of 14 and 70;
- e) after suffering accidental bodily injury for which compensation may be payable under this section, such person shall, when required by OUTsurance, submit to medical examination and undergo any treatment specified. OUTsurance shall not be liable to make any payment unless this proviso is complied with to its satisfaction; and
- f) General exception 2 and General condition 3 do not apply to this extension.

Extensions to the personal accident (assault) extension

1. Exposure

Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements directly or indirectly resulting from such person being the victim of theft or attempted theft.

2. Disappearance

In the event of the disappearance of any such person in circumstances which satisfy OUTsurance that he sustained injury to which this section applies, and that such injury has resulted in the death of such person, OUTsurance will presume his death provided that if, after OUTsurance has made payment in respect of such person's presumed death, he is found to be alive, such payment shall be refunded by the insured to OUTsurance.

Defined events

Loss or damage to internal and external glass (including mirrors), sign writing and treatment thereon at the insured premises as noted in the schedule belonging to the insured or for which they are responsible.

Following loss or damage to glass OUTsurance will indemnify the insured for:

1. the cost of such boarding up as may be reasonably necessary;
2. damage to shop fronts, frames, window displays (including fixtures and fittings), burglar alarm strips, wires and vibrators as a direct result of such loss or damage;
3. the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass; and/or
4. the reasonable cost of employment of a watchman service prior to replacement of glass or boarding up or the repair of the burglar alarm system, unless payable under any other insurance arranged by the insured.

Provided that the liability of OUTsurance shall not exceed:

- a) for the replacement of glass, sign writing and treatment - the sum insured as noted in the schedule applicable to the premises at which loss or damage occurs; and
- b) in aggregate, the sum noted in the schedule for all other costs and expenses provided for by this section resulting from one claimable event.

Specific exceptions

OUTsurance shall not be liable for:

1. loss or damage which is, or would be insured by any fire insurance, except if in excess of the amount which would have been payable under such fire insurance; this exception shall not apply to loss or damage for which the insured is responsible as tenant and not as owner;
2. glass forming part of stock in trade;
3. glass which, at inception of this insurance, is cracked or broken;
4. defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof; or
5. loss or damage if the building becomes vacant, abandoned, empty, illegally occupied or unoccupied for more than 30 consecutive days.

Specific condition

Average

If the sum insured is less than the total value of the insured property OUTsurance shall pay only such proportion as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

Additional perils (if noted in the schedule to be included)

1. Riot and strike extension

This section is extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; and/or
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

This extension shall only apply to loss or damage for which the insured is responsible as tenant and not as owner.

Clauses and extensions

1. Special replacement

If the insured is obliged in terms of the National Building Regulations or similar legislation to replace the damaged glass with glass of a superior quality, following loss or damage insured hereunder, OUTsurance shall be liable for the increased cost of such replacement including frames, provided that if the cost of replacing the insured property is greater than the sum insured, then the insured shall be considered as being self insured for the difference and shall bear a rateable proportion of the loss or damage accordingly.

Defined events

1. Loss of money or other property belonging to the insured or for which they are responsible, stolen by an insured employee during the period of insurance.
2. Direct financial loss sustained by the insured as a result of fraud or dishonesty of an insured employee which occurs during the period of insurance which results in dishonest personal financial gain for the employee.

Provided that:

- a)
 - i. OUTsurance is not liable for losses which occurred more than 24 months prior to discovery;
 - ii. All losses are discovered within 12 months after the termination of:
 1. this insurance;
 2. this insurance in respect of any insured employee concerned in a loss; or
 3. the employment of any insured employee or the last of the insured employees concerned in a loss.Whichever occurs first.
- b) Any extension of any period of insurance shall not have the effect of increasing the liability of OUTsurance beyond the sum insured noted in the schedule. OUTsurance's liability is limited to the sum noted in the schedule during any 12 month period of insurance calculated from inception or renewal.
- c) The term "dishonest personal financial gain" shall not include gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.

Definitions

Employee

Shall mean:

- a) any person while employed under a contract of service with or apprenticeship to the insured; or
- b) 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 and who, if this section is on a named and/or position basis, is described in the schedule by name and/or by the position held by him in the business.

Independent contractors are excluded from this definition.

Items

1. **Blanket Basis**
The liability of OUTsurance for all losses shall not exceed the sum insured noted in the schedule whether involving any one or more employees.
2. **Named Basis**
The liability of OUTsurance for all losses involving any employee shall not exceed the sum insured noted in the schedule for that person.
3. **Position Basis**
The liability of OUTsurance for all losses involving any position held in the business shall not exceed the sum insured noted in the schedule for that position.

Specific exceptions

1. OUTsurance shall not be liable for the following.
 - a) Loss resulting from any defined event by:
 - i. any partner of the insured to the extent that the partner would benefit by indemnity granted under this policy;
 - ii. any principal, director or member of the insured unless such director or member is also an employee; and/or
 - iii. any employee from the time the insured shall become aware that the employee has committed any fraud or dishonesty.
 - b) Any consequential losses of any kind following losses referred to under defined events.
2. This section does not cover any company or other legal entity acquired during the period of insurance.
3. OUTsurance shall not be liable for any defined event if it results from the dishonest:
 - a) manipulation of;
 - b) input into;
 - c) suppression of input into;
 - d) destruction of;
 - e) alteration of;any computer program, system, data or software by any insured employee who is employed in the insured's electronic data-processing department or area of any networked micro/personal computer.
4. OUTsurance shall only be liable to the extent of the participation or shareholding of any uninvolved partners, principals, directors or members for an insured event in which any partner, principal, director or member of the insured is or has been directly involved.
This specific exception only applies to partnerships, proprietary companies or close corporations.
5. Any claim arising from an event known to the insured:
 - a) Which is not reported to OUTsurance in terms of General condition 7
 - b) Prior to inception of this section
 - c) Prior to inception of the superseded or retroactive cover of this section

Specific conditions

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 OUTsurace but the insured may:

- a) change the remuneration and conditions of service of any employee;
 - b) in respect of any employee who is described in the schedule by name, change his duties and position;
 - c) 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; and/or
 - d) make such other changes as are approved beforehand in writing by the insured's auditors.
2. If the insured sustains any loss to which this section applies which exceeds the amount payable, the insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by OUTsurace or for the first amount payable) until fully reimbursed, less the actual cost of effecting the same.
 3. In the event of the discovery of any loss resulting from a defined event, the insured may refrain from reporting the matter to the police but shall do so immediately should OUTsurace require such action to be taken.
 4. If the person signing any proposal form or giving any other instructions to OUTsurace did not disclose his own fraud or dishonesty, any claim under this section shall not be prejudiced thereby.
 5. If the sum insured shall be increased at any time, such increased amount shall apply only to defined events committed after the date of such increase.

Additional perils (if noted in the schedule to be included)

1. Superseded insurances – Previous insurance in force

This section will apply to defined events insured herein which occurred during the period of insurance superseded by this section and specified in the schedule provided that:

- a) the incident date is on or after the superseded date as noted in the schedule;
- b) this extension is restricted to losses which would have been payable by the superseded insurance but which are not claimable because of the expiry of the period of time allowed by the superseded insurance for the discovery of the defined events;
- c) the defined events are discovered within the shorter period of 12 months of the termination of the employment of the employee concerned or within 12 months of the expiry of this section;
- d) the amount payable under this extension shall not exceed the amount insured by this section or the amount insured by the superseded insurance whichever is the lesser;
- e) in the event of the defined events involving one or more employees occurring during both the currency of this section and that of the superseded policy, the maximum amount payable shall not exceed the amount insured by this section at the time of discovery of the defined events;
- f) this extension will not apply to defined events which occurred prior to the date noted in the schedule; and
- g) OUTsurace is not liable for any loss which occurred more than 24 months prior to discovery.

2. Retroactive cover – No previous insurance in force

This section will also apply to defined events as insured herein which occurred on or after the retroactive date as noted in the schedule but not more than 24 months prior to discovery, provided the events are discovered within the shorter period of 12 months of the termination of the employment of the employee concerned or within 12 months of the expiry of this section.

3. Costs of recovery extension

If the insured sustains any loss to which this section applies which exceeds the sum insured hereunder, OUTsurace will, in addition to the sum insured, pay to the insured costs and expenses not exceeding the amount noted in the schedule reasonably incurred, with the consent of OUTsurace, for the recovery from the employee in respect of whose dishonest or fraudulent acts the claim is made, of that part of the loss which exceeds the sum insured hereunder. All amounts recovered by the insured in excess of the said part of the loss shall be for the benefit of OUTsurace.

4. Computer losses extension

Specific exception 3 is deleted.

5. Extension for losses discovered more than 24 months after being committed

- a) Defined events 2(a)(i) is amended to read: OUTsurace is not liable for losses which occurred more than the number of months prior to discovery noted in the schedule.
- b) If this policy section includes the superseded policy clause, the period referred to in Additional Peril 1(g) thereof is increased from 24 months to the number of months noted in the schedule.

Clauses and extensions

1. Accountants

Any particulars or details contained in the insured's books of account or documents which may be required by OUTsurace under this section for the purpose of investigating or verifying any claim hereunder, should 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.

2. Extended cover for past employees

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 days after he ceased to be an employee.

3. Other insurance

It is a condition of this section that other than:

- a) this policy,
- b) a Money policy,
- c) a policy declared to OUTsurace at inception or renewal or at the time a claim is submitted, and
- d) a fidelity pension fund policy which is not in excess of this section.

no other insurance is in force during the currency of this section to insure against the risks insured hereunder.

GOODS IN TRANSIT

Defined events

Loss or damage to the property described in the schedule, owned by the insured or for which they are responsible, in the course of transit and caused by an accident or misfortune not otherwise excluded, provided that the liability of OUTsurance shall not exceed the limit of indemnity noted in the schedule.

Specific exceptions

OUTsurance shall not be liable for:

1. Loss or damage caused directly or indirectly by:
 - a) theft from any unattended vehicle unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from the vehicle or building is accompanied by visible signs of forced entry;
 - b) the dishonesty of any principal, partner, director, member, employee or household members of the aforementioned of the insured;
 - c) arising whilst in transit by sea or inland transit incidental thereto;
 - d) breakdown of refrigeration equipment; and
 - e) accident where the insured vehicle is:
 - i. involved in an accident and it does not meet the roadworthy requirements as noted by road traffic legislation; and
 - ii. carrying or towing passengers, a load of goods or vehicles exceeding the capacity for which it was constructed or licensed to carry unless otherwise noted in the schedule.
 - f) the incorrect delivery of goods, products or wastes into an incorrect receptacle, to the incorrect address or incorrect goods or products delivered.
2. Loss or damage to:
 - a) Goods in transit which is not properly secured and covered;
 - b) Livestock being transported;
 - c) Incurred while any vehicle is being driven by:
 - i. The insured or any other person with the general consent of the insured and to the insured's knowledge:
 1. while under the influence of alcohol or drugs;
 2. while not licensed to drive such vehicle;
 3. with a license that is endorsed for drunken or reckless and negligent driving; and/or
 4. unlawfully leaves the scene of an accident;
 - ii. A person who does not hold a current valid Professional Driving Permit (PrDP) to drive such a vehicle as required in terms of the National Road Traffic Act. This exception applies to all drivers of the following.
 1. Goods vehicles with a Gross Vehicle Mass(GVM) exceeding 3 500kg
 2. Breakdown vehicles
 3. Buses
 4. Mini-buses with a GVM exceeding 3 500kg or with 12 or more seats (including the driver)
 5. Motor vehicles conveying persons for reward
 6. Motor vehicles conveying more than 12 passengers
 - d) Cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
 - e) Property outside the Republic of South Africa;
 - f) Property otherwise insured except if in excess of the amount which would have been payable under such other insurance, had the insurance under this section not been effected;
 - g) Counterfeit items; and
 - h) Goods in transit caused by deterioration, unless added as an additional peril.
 - i) Vehicles being transported, when the loss or damage is caused by the driving of the vehicles, including loading and unloading of such vehicles.

Specific conditions

1. The transit starts when the items are being carried and loaded; it ends when the items have been delivered or off-loaded and received in a proper way by the receiver or owner of the goods. The transit also includes temporary storage (for a maximum period of 96 hours in the course of the journey) of the vehicle carrying the goods.
2. If the receiver or owner of the goods refuse to accept the goods, transit shall continue and insurance shall remain in force until the goods are delivered at the premises where it was originally carried and loaded, provided that the insured shall take reasonable steps to ensure that the property is returned as soon as reasonably possible.
3. In the event of breakdown while the goods are in transit or if the property is in jeopardy, the insured may use any other form of transport to assist completion of the transit and the insurance afforded shall not be affected thereby.

Goods cover limitations (if noted in the schedule to apply)

1. Restricted cover - Fire, explosion, collision, derailment and overturning limitation

The liability of OUTsurance is restricted to loss or damage resulting from fire, explosion, collision, overturning or derailment of the means of conveyance described in the schedule.

Additional perils (if noted in the schedule to be included)

1. Riot and strike extension

This section is extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; and/or
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or

b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

2. Debris removal extension

The insurance under this section is extended to include reasonable costs incurred by the insured in respect of the removal of debris following damage to the means of conveyance or to the property thereon, subject to a limit noted in the schedule.

3. Extended Territories

The list of territorial countries specified is extended to include:

Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique, Malawi, The Democratic Republic of the Congo (in all areas south of Kolwezi), Kenya, Tanzania, Uganda, Rwanda, Burundi, Angola and Zambia.

4. Deterioration of Goods in Transit

The insurance under this section is extended to include loss or damage caused by deterioration or contamination to refrigerated goods whilst in transit arising solely from mechanical or electrical breakdown of the refrigeration machinery attached to the carrying vehicle. Loss or damage resulting from impact, puncture, collision, overturning, engine failure or shortage of fuel of the carrying vehicle is specifically excluded. The liability of OUTsurance shall not exceed the amount noted in the schedule.

Deterioration of refrigerated stock is covered while in transit caused by a variation in temperature for a period of two consecutive hours or longer following:

- a) breakdown or malfunction of the refrigerated equipment; and/or
- b) incorrect electronic setting of the required temperature of the refrigeration unit by the insured or anyone responsible for transporting the insured's stock. The insured or anyone responsible for transporting the insured's stock needs to prove that an incorrect setting did occur.

OUTsurance shall not be liable for loss or damage to goods:

- a) transported in refrigerated shipping containers;
- b) caused by any other incorrect setting such as airflow intake, outflow and/or circulation; and/or
- c) caused by the refrigeration unit running out of fuel.

Specific exception 2 h) of this section is deleted.

5. Overloading allowance

If the combined weight of the conveying vehicle and load is greater than that allowed by legislation, then this will not prejudice a claim in terms of the policy, unless the combined weight is more than 5% over the maximum weight allowed by legislation, in which case cover in terms of the policy is excluded absolutely.

6. Driver fidelity

The insurance under this section is extended to include criminal involvement of the insured's driver or employees in theft or hijacking of goods insured under the policy. However, this extension does not cover the involvement of the owners, partners or directors of the insured.

Clauses and extensions

1. Fire extinguishing charges extension

Any reasonable costs relating to the extinguishing or fighting of fire shall be payable in addition to any other payment for which OUTsurance may be liable in terms of this section provided the insured is legally liable for such costs and the insured property was in danger of the fire.

Defined events

Loss or damage to the property described in the schedule while anywhere in the world by any event not otherwise excluded.

Specific exceptions

OUTsurance shall not be liable for:

1. Loss or damage to property directly or indirectly caused by:
 - a) Theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director, member or employee of the insured unless entry to such locked vehicle is accompanied by visible signs of forced entry and the property is:
 - i. concealed in the enclosed storage areas such as the cubby-hole, boot or under retractable or removable boot covers. Goods left in the open are not covered.
 - ii. stored in the loading area of an LDV and is concealed under hard-wearing, lockable load covers. Items concealed under canvas are not covered
 - iii. stored in the loading area of an LDV with a canopy and the canopy's windows are covered with "smash-and-grab" safety film of at least 100 micron and with visibility of 35% or less. There is no cover at all if the following items are left in the loading area:
 - cell phones
 - computer, audio/video and photographic equipment
 - individual items worth more than R100 000
 - b) The dishonesty of any principal, partner, director, member or employee of the insured or any their household members.
 - c) Accidental damage to any tools of trade, and their accessories, while being used.
2. Loss or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind
3. Loss or damage to goods while the goods are in the possession of any other person or business, other than for the purpose of cleaning, renovation, repair or similar processes.
4. Any costs incurred due to:
 - a) border post delays,
 - b) administration costs,
 - c) incorrect or expired entry permits or exit documents, and/or
 - d) fines, duties or taxes.
5. Loss or damage to counterfeit items
6. Loss or damage caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees
7. Loss or damage caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent

Specific conditions

1. **Average**

If the sum insured of property insured which is not separately and individually specified, is less than the total value of the insured property, OUTsurance shall pay only such proportion as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

Additional perils (if noted in the schedule to be included)

1. **Increase in cost of working extension**

Any additional expenditure not otherwise provided for in this section reasonably incurred by the insured during the period of indemnity in consequence of an accident, for the purposes of maintaining the normal operation of the business in respect of which liability is admitted by OUTsurance under this section less any money saved during the indemnity period.

The indemnity by this item shall not apply to:

 - a) the cover provided for in item 3 of this section; and
 - b) the intrinsic value of the property insured by this section.
2. **Riot and strike extension**

This section is extended to cover loss or damage caused by:

 - a) civil commotion, labour disturbances, riot, strike or lockout; and
 - b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

 - a) loss or damage occurring in the Republic of South Africa and Namibia; or
 - b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.
3. **Reinstatement of data/programs**

This section is extended to cover the costs reasonably incurred for the reinstatement of data and programmes stored on the electronic equipment insured which are lost following a defined event covered under this section.

Provided that:

 - a) OUTsurance is not liable for the costs incurred due to programme error, incorrect entry, the use of unlicensed software or the inadvertent cancellation or corruption of data and programmes; and
 - b) OUTsurance's liability is limited to the amount noted in the schedule.
4. **Telkom access lines**

Subject to the limits specified in the schedule, consequential loss as provided for under the Increase in cost of working and Reinstatement of data/programs additional perils arising from accidental failure of the Telkom access lines is included, provided that:

 - a) the indemnity period shall commence 12 hours after and end no later than 30 days after such failure.

The insurance provided does not cover loss occasioned by the deliberate act of any Telkom authority or by any Telkom authority withholding or restricting access to its lines.

Clauses and extensions

1. **Replacement value condition**

The basis upon which the amount payable is to be calculated shall be either the replacement of the property by similar property in a condition equal to but not better or more extensive than its condition when new or the repair of the property to a condition substantially the same as but not better than its condition when new.
2. **Currency fluctuations**

The indemnity by this section shall include

 - a) Provision for devaluation or revaluation of the currency of the Republic of South Africa against that of the country of origin of the property insured and other inflationary trends, which may result in the escalation of the sum insured (representing the installed new replacement value) of the property insured.

Provided that the increase shall not exceed the total sum insured for the item affected as noted in the schedule, by more than 25%.

ACCIDENTAL DAMAGE

Defined events (i)

Accidental physical loss or damage to the insured property at the premises not otherwise insured or for which insurance is available, other than Business All Risks.

The amount payable for all loss or damage arising out of one original cause shall not exceed the sum noted in the schedule.

Specific exceptions

- a) OUTsurance shall not be liable for:
 - i. any peril excluded from any other insurance available from OUTsurance at inception hereof;
 - ii. any excess payable by the insured under such insurance; and/or
 - iii. any reduction of amount payable under any claim due to the application of average.
- b) More than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set or collection;
- c) Unexplained disappearance or shortage only revealed during an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information;
- d) Loss of or damage to insured property caused directly or indirectly by:
 - i. any fraudulent act practised on the insured or fraud or the dishonesty of any principal or agent of the insured or any of their household members;
 - ii. overheating, implosions, cracking, fracturing, weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus;
 - iii. denting, chipping, scratching or cracking not affecting the operation of the item;
 - iv. fault or defect in its design, formula, specification, drawing, plan, materials, workmanship, or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, contamination, pollution, change in colour, flavour, texture or finish or its own wear and tear; and/or
 - v. termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light.
- e) Settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any insured property;
- f)
 - a) loss or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container; and
 - b) loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes.
- g) Failure of, or the deliberate withholding or lack of supplies of water, steam, gas, electricity, fuel or refrigerant.
- h) Collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).
- i) Loss or damage to counterfeit items.
- j) Loss or damage to stock caused by deterioration, unless added as an additional peril.

Definitions

1. Insured property

Any physical property belonging to the insured or for which they are responsible other than:

- a) current coin (including Krugerrands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, and other certificates, documents or instruments of a negotiable nature;
- b) furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art, glass, china, earthenware, marble and other fragile or brittle items;
- c) railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motorcycles, mobile plant, caravans and trailers;
- d) standing or felled trees, crops, animals, land (including topsoil, backfill, drainage and culverts), driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines (external to the premises), tunnels, cables (external to the premises), cableways, bridges, docks, jetties, wharves, piers, excavations, property below the ground or explosives;
- e) electronic data-processing equipment and external data media (punch cards, tape disks and the like) and the information they contain;
- f) property in the course of construction, erection or dismantling including materials or supplies related thereto; and
- g) property in the possession of customers under lease, rental, credit or suspensive sale agreements.

Defined events (ii) (if noted in the schedule to be included)

Accidental physical loss or damage to the insured property caused by discharge or leakage from tanks, pipes or apparatus of chemicals, oils, liquids, fluids, gases or fumes (including loss of such chemicals, oils, liquids, fluids, gases or fumes) other than loss or damage resulting from wear and tear or other gradually operating causes of the tanks, pipes or apparatus.

Specific conditions

1. Average

If the sum insured is less than the total value of the insured property OUTsurance shall pay only such proportion as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

If a separate sum insured is shown next to an additional peril representing a first loss limit, the above paragraph will be substituted with:

If the sum insured is less than the total value of the insured property, OUTsurance shall pay only such proportion of the first loss limit as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

Clauses and extensions

1. Stock Seasonal Increase extension (if noted in the schedule to be included)

If this clause was selected under the Fire section, the sum insured of the property insured under Column 4 - Stock Inside and Stock Outside will be automatically increased by the percentage in the month(s) selected by the insured as noted in the schedule under the Fire section.

2. Limitations clause

OUTsurance's liability is restricted in respect of documents, manuscripts, business books, plans, designs, patterns, models, moulds and computer system records to the value of the materials and sums expended in labour and exclude any expenses in connection with the production of any information contained therein or the value of such information to the insured.

3. Additional costs clause

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

- a) Any costs incurred, due to the necessity to comply with building or other regulations of any public authority, in repair or reinstatement following an insured event, provided that such costs do not include:
 - i. anything for which notice had been served on the insured prior to the insured event;
 - ii. anything connected with undamaged property; and
 - iii. rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the insured property.
- b) Fees for the examination of municipal or other plans.
- c) Reasonable costs incurred in the necessary demolition, removal of debris, erection and maintenance of hoardings during demolition and rebuilding, excluding costs arising from pollution or contamination of property not insured by this policy.
- d) The professional fees of architects, quantity surveyors and other consultants.

In respect of all insured property, the sum insured includes reasonable charges levied by any authorised fire brigade for their services.

OUTsurance will not pay for any costs

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

4. Mortgagees clause

The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall inform OUTsurance as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by OUTsurance.

5. Railway and other subrogation clause

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

6. Tenants clause

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

7. Reinstatement value condition

The basis upon which the amount payable is to be calculated following an insured event to buildings, plant and machinery shall be the cost of replacing or reinstating with property on the same site of the same kind but not superior to the insured property when new provided that:

- a) the work of replacement or reinstatement (which may be carried out upon another site subject to the liability of OUTsurance not being increased) must be commenced and carried out with reasonable despatch;
- b) OUTsurance shall only be liable for payment once expenditure has been incurred by the insured in replacing or reinstating the property; and/or
- c) the amount payable for each item will not exceed the amount noted on the schedule.

These conditions shall be without force or effect if:

- a) the insured fails to inform OUTsurance within six months of the date of damage or such further time as OUTsurance may in writing allow, his intention to replace or reinstate the property; and
- b) the insured is unable or unwilling to replace or reinstate the property on the same or another site.

8. Deterioration of stock extension

Accidental physical loss or damage to the insured property occurring at the insured premises only not otherwise insured or for which insurance is available, other than Business All Risks.

This extension does not cover:

- a) loss arising within the no-claim period noted in the schedule of goods stored in the refrigeration chambers due to deviation from the prescribed refrigeration temperature, unless deterioration is caused by contamination as a result of leakage of refrigerant or by accidental freezing of goods or unless fresh goods that have not yet reached the prescribed refrigeration temperature are affected thereby;

No-claim period is defined as the time period immediately following cessation of cooling during which, with the storage room left sealed, no deterioration takes place;

- b) loss to the goods stored arising as a result of shrinkage, inherent defects or diseases, natural deterioration or decay;
- c) loss arising from improper storage, damage to packing material, insufficient circulation of air, non-uniformity of temperature;
- d) loss caused by temporary repair carried out without OUTsurance's consent of the refrigeration machinery;
- e) penalties for delay, consequential loss or damage or liability of any nature whatsoever; and
- f) loss or damage caused by the wilful act or wilful negligence of the insured or his representatives.

This extension shall apply only if:

- a) the refrigeration machinery is insured under this policy;
- b) the insured refrigeration machinery is connected to an automatic alarm system in an attended location;
- c) the stock is not stored in "controlled atmosphere" chambers;
- d) at the time of the loss or damage, the goods are stored in the refrigeration chambers; and/or
- e) the insured maintains on a daily basis stock records in which the type, quantity and value of the goods stored and the beginning and the end of the storage period are entered separately for each refrigeration chamber.

Specific exception j) of this section is deleted.

Defined events

Damages which the insured shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness or accidental loss or damage which occurred in the course of or in connection with the business. The liability must arise within the Republic of South Africa and on or after the retroactive date shown in the schedule, and must result in a claim first being made against the insured in writing during the period of insurance.

Specific exceptions

OUTsurance will not indemnify the insured in respect of the following.

1. Liability consequent upon injury to any employee by the insured under a contract of service or apprenticeship and arising in the course of employment.
2. Damage to:
 - a) property:
 - i. belonging to the insured; and
 - ii. in the custody or control of the insured or employee; this exception shall not apply to the premises (or contents thereof) temporarily occupied by the insured for work therein, but the insured is only covered if such damage results directly from the work done by the insured;
 - b) that part of any property on which the insured is or has been working if such damage results directly from such work; and/or
 - c) any underground cables, pipes and conduits caused while digging trenches unless specifically noted in the schedule.
 - d) caused directly or indirectly by work done by sub-contractors unless specifically noted on the schedule.
3. Liability consequent upon injury or damage:
 - a) caused directly or indirectly by any advice or treatment of a professional nature (other than first aid treatment) given by the insured;
 - b) caused directly or indirectly by the ownership, possession or use of any mechanically propelled vehicle (other than a pedal cycle or lawnmower), trailer, watercraft, locomotive or rolling stock. This exception shall not relieve OUTsurance of liability consequent upon injury or damage caused by the loading or unloading of any vehicle, insofar as such liability is not insured by any other insurance policy;
 - c) caused directly or indirectly by aircraft;
 - i. the refuelling of aircraft;
 - ii. the ownership, possession, maintenance, operation or use of aircraft or an airline; and/or
 - iii. the ownership, hiring or leasing of any airport, airstrip or helicopter pad;
 - d) caused directly or indirectly by goods or products (including containers and labels) sold or supplied and happening away from the premises occupied by the insured, other than food and drink supplied incidentally for consumption on the premises; and
 - e) occurring after the completion and handing over of any work and caused by or through or in connection with any defect or error in or omission from the work
4. Damage caused by vibration, removal, weakening of or interference with support to any land, building or other structure.
5. Fines, penalties, punitive or vindictive damages.
6. Damages in respect of judgements delivered, awarded or settlements made, including costs recovered by any claimant from the insured, otherwise than by a court of competent jurisdiction within the Republic of South Africa.
7. Damages in respect of any claim arising from an event known to the insured when this insurance inceptioned.
8. Liability consequent upon injury or damage arising out of deliberate disregard by the insured of the need to take reasonable precautions to prevent any event which may give rise to a claim.
9. Any claim arising in connection with actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or arising from any breach of a provision of the Competition Act 89 of 1998 or any similar provision, Act or regulation as may be in force in any jurisdiction or country in which the liability arose.
10. Liability in respect of injury, damage or loss of use of property caused directly or indirectly by seepage, pollution or contamination or the costs of removing, nullifying or cleaning up seeping, polluting or contaminating substances except where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence.
11. Burst dam walls
12. The use of weapons or firearms

Specific conditions

1. The limits of indemnity

The amounts payable, inclusive of any legal costs recoverable from the insured by a claimant for any events arising from one original cause, shall not exceed the limit of indemnity noted in the schedule.

2. Territorial limits

Republic of South Africa.

3. Claims limit

Any claim first made in writing against the insured as a result of a defined event reported in terms of General condition 7 shall be treated as if it had first been made against the insured on the same day that the insured reported the event to OUTsurance.

In the event of cancellation of the policy, the insured may report an event in terms of General condition 7 to OUTsurance for up to 30 days after cancellation, provided such event occurred during the period of insurance.

4. First claim date

Any series of claims made against the insured by one or more claimants during the period of insurance consequent upon one or more events with one original cause shall be treated as if they all had first been made against the insured:

- a) On the date that the event was reported by the insured in terms of General condition 7

or

- b) If the insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the insured.

Definitions

- 1. Injury**
Means bodily injury, illness inclusive of mental condition, disease or death to any person.
- 2. Damage**
Means the physical damage to or loss of physical property.
- 3. Employee**
Means any person currently (or who at the time of the claimable event was) employed under a contract of service with the insured including partners, executive and non-executive directors, consultants and temporary employees.
- 4. Product**
Means any physical property (inclusive of containers and labels) after it has left the custody or control of the insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired inclusive of any gratuitous or technical advice given by the insured in the promotion of such product. This shall exclude food and drink provided as a staff benefit to employees by the insured.
- 5. Pollution**
Means the emission, discharge, release, dispersal, disposal, seepage or escape of any liquid, solid, gaseous or thermal irritant, contaminant inclusive of the generation of smell, noises, vibrations, light, electricity, radiation, and changes in temperature or any other sensory effects upon land, water or the atmosphere.
- 6. Proposal**
Means the application for the insurance cover provided by this policy including any documentation or information submitted to OUTsurace for consideration of the risk.
- 7. Schedule**
Means the schedule attaching to this policy, incorporating all special conditions.
- 8. Policy**
Means the contents of this document together with the schedule, incorporating all extensions and special conditions, issued from time to time by OUTsurace and the proposal which shall all be read together as evidencing the contract of insurance.
- 9. Insured**
Means any person or persons, company, or other entity as listed as insured in the schedule acting as a director, member, partner or principal of the business:
 - a) Including their predecessors in that specific business as director, member, partner or principal and;
 - b) Any person who becomes a director, member, partner or principal during the period of insurance, but limited to the extent that liability only attaches to the insured.
- 10. Takeover or merger**
Means any transaction whereby another company acquires control over the assets or management of the named insured or whereby the assets of the insured become vested in or under the control of another company including a transfer of whole or any part of a business, trade or undertaking that is transferred as a going concern.

Additional perils (if noted in the schedule to be included)

- 1. Wrongful arrest and defamation**
The defined events are extended to include damages:
 - a) resulting from wrongful arrest (including assault in connection with such wrongful arrest); or
 - b) in respect of defamation.

Provided always that the limits of indemnity as noted shall not exceed the amount noted in the schedule for one period of twelve consecutive months from inception date.
- 2. Products liability**
OUTsurace will indemnify the insured in respect of defined events happening anywhere in the territories noted in the schedule elsewhere than at premises occupied by the insured, and caused by any product sold or supplied (including wrongful delivery and delivery of incorrect goods) by the insured in connection with the nature of business.

The amount payable under this extension, inclusive of any legal costs recoverable from the insured for any one or more events arising from one original cause or during any one period of twelve consecutive months from inception date shall not exceed in the aggregate the limit of indemnity for this extension noted in the schedule.

Provided that this extension does not cover liability:
 - a) for the cost of repair, alteration, recall, reconditioning or replacement of the product causing injury or damage;
For the purposes of this additional specific exception the term "replacement" shall be deemed to include any credit or refund granted or alternative product provided by the insured *in lieu* of replacement of the defective product;
 - b) for the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the goods or products any other property essential to such repair, alteration or replacement unless physically damaged by the goods or product;
 - c) arising from the failure of any product to fulfil its intended function or to perform as specified, warranted that this exception shall not apply to consequent injury or damage;
 - d) arising from products forming part or intended to form part of an aircraft; or
 - e) for any defect in any product or any part thereof of which the insured was aware prior to the inception of this extension.
 - f) defective design, formula, plan or specification, where the insured is responsible for any part of the manufacturing, packaging or preparation prior to sale.

3. Defective workmanship

Specific exceptions 2 b) and 3 e) are cancelled.

The amount payable under this extension, inclusive of any legal costs recoverable from the insured for any one or more events arising from one original cause or during any one period of twelve consecutive months from inception date shall not exceed in the aggregate the limit of indemnity for this extension noted in the schedule.

Provided that this extension does not cover liability:

- a) for the cost of rectifying or recalling defective work;
- b) arising from inefficacy or work or because the work did not produce the result anticipated or claimed;
- c) arising prior to the handing over of the work;
- d) arising from defective design; or
- e) arising from any work on any aircraft or part thereof.

4. Veld fires liability

The defined events are extended to include damage or bodily injury caused by the spreading of a veld- or forest fire.

Provided that:

- a) the limits of indemnity shall not exceed the amount noted in the schedule; and
- b) this extension does not cover any damage or bodily injury if the insured does not comply with legislation such as the National Veld and Forest Fire Act No. 101 of 1998.

5. Legal defence costs

OUTsurace will indemnify any employee, partner or director of the insured against costs and expenses not exceeding the amount noted in the schedule incurred by such person, with the consent of OUTsurace in the defence of any criminal action brought against such person in the course of his occupation with the insured, arising from an alleged contravention of the statutes as herein defined during the period of insurance provided that:

- a) in the case of an appeal, OUTsurace shall not indemnify such person unless a senior counsel approved by OUTsurace shall advise that such appeal should, in his opinion, succeed;
- b) OUTsurace shall not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any loss consequent thereon; and/or
- c) such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this policy and this section thereof in so far as they can apply.

The Statutes

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

The Mines and Works Act No. 27 of 1956 (as amended),

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

all as read in conjunction with the Criminal Procedure Act No. 51 of 1977 (as amended).

Clauses and extensions

1. Additional Insured

OUTsurace will also, as though a separate policy had been issued to each, indemnify the following.

- a) In the event of the death of the insured, any personal representative of the insured in respect of liability incurred by the insured.
- b) Any partner, director or employee of the insured (if the insured so requests) against any claim for which the insured is entitled to indemnity under this insurance.
- c) To the extent required by the conditions of any contract (and notwithstanding General exception 8), and in connection with any liability arising from the performance of the contract, any employer named in any contract entered into by the insured for the purposes of the business.
- d) In respect of the activities of any social or sports club, welfare organisation, first aid, fire or ambulance service, canteen or the like, belonging to the insured for the benefit of their employees:
 - i. any officer or member thereof; and
 - ii. any visiting sports team or member thereof.

Provided that:

- i. the aggregate liability of OUTsurace is not increased beyond the limits of indemnity noted in the schedule;
- ii. any person or organisation to which this extension applies is not entitled to indemnity under any other policy; and/or
- iii. the indemnity under (a), (b) and (c) applies only in respect of liability for which the insured would have been entitled to indemnity if the claim had been made against the insured.

For the purposes of this extension, OUTsurace waives all rights of subrogation or action which they may have against any of the above, and each party to whom the indemnity hereunder applies shall observe, fulfil and be subject to the terms, exceptions and conditions of this insurance.

2. Tool of trade

Specific exception 3(b) shall not apply to the operation as a tool of any vehicle or plant forming part of such vehicle, provided that OUTsurace shall not be liable for any liability that falls within the scope of any form of motor insurance or compulsory third party insurance legislation, whether such insurance is in force or not.

3. Employees' and visitors' property

Specific exception 2(a)(ii) shall not apply to property belonging to any partner, director or employee of the insured or any visitor to the insured's premises.

4. Unattached trailers

Specific exception 3(b) shall not apply in respect of any trailer that was detached from any mechanically propelled vehicle that did not become unintentionally detached from that vehicle, provided that OUTsurace shall not be liable for any liability:

- a) which is insured by any other policy effected by the insured; and
- b) that falls within the scope of any compulsory third party insurance legislation, whether such insurance is in force or not.

5. Emergency medical expenses

OUTsurace will indemnify the insured for reasonable expenses incurred by for immediate medical treatment as may be necessary at the time of an accident causing injury to any person who may be the subject of a claim for indemnity by the insured in terms of this section.

6. Car parks

Notwithstanding the provisions of specific exception 2(a)(ii), OUTsurance will indemnify the insured in respect of liability as herein provided arising from loss of or damage to vehicles, their contents and accessories, the property of tenants, customers, visitors or employees of the insured using parking facilities provided by the insured.

7. Tenant's liability

Specific exceptions 2(a)(ii) and 3(b) of this section shall not apply to premises occupied by the insured as tenant (but not as the owner) thereof.

8. Gratuitous advice

OUTsurance will indemnify the insured in respect of defined events caused by the unintentional failure of the insured to perform the legal duty to exercise due care owed to another party in providing technical information or advice to such party provided that this section does not cover liability arising out of:

- a) the insolvency of the insured;
- b) financial services or cost estimates provided by the insured;
- c) defamation;
- d) design, formula, supervision, treatment or advice given by the insured in exchange for a fee or benefit of some kind; and/or
- e) technical information or advice given in connection with a product unless the extension for Products Liability is included in the schedule.

If at the time of any event giving rise to a claim under this extension, indemnity is also provided under any other insurance, this extension shall not be drawn into contribution with such other insurance except in respect of any amount for which the insured is liable over and above the cover provided by such other insurance subject at all times to the limit of indemnity.

9. Acquisitions and new businesses

The indemnity granted by this section of the policy extends to any company formed or acquired by the insured during the period of insurance for a period of 90 days of such formation or acquisition, provided always that:

- a) the retroactive date in respect of such new company shall be deemed to be the date when a newly formed or acquired company first purchased liability insurance of the type hereby insured on a "Claims Made" basis, subject to a declaration from the newly acquired company's previous management that there are no known, reported claims or circumstances likely to give rise to a claim at the date of acquisition. In the absence of such a declaration, the retroactive date shall be the date of such acquisition;
- b) the insured's business activities remain unchanged;
- c) the annual turnover of all newly formed or acquired companies does not exceed 5% of the estimated annual turnover of the insured as advised to OUTsurance at inception hereof; and
- d) the insured shall advise OUTsurance of such formations or acquisitions before the expiry of 90 days thereof and OUTsurance may amend the terms of this section of the policy accordingly.

10. Materialisation clause

Where the facts do not speak for themselves and OUTsurance and the insured cannot mutually agree when the injury or damage occurred, then for the purpose of determining the indemnity to be granted:

- a) injury shall be deemed to have occurred when the claimant first consulted a qualified Medical Practitioner in respect of such injury, whether or not it was correctly diagnosed at the time. If no such consultation took place, then injury shall be deemed to have occurred when the insured was first advised of the injury; and/or
- b) damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

11. Cross liabilities

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

Defined events

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

Definitions**Employee**

Shall mean:

- a) any person while employed under a contract of service with or apprenticeship to the insured; or
- b) 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.

Independent contractors are excluded from this definition.

Specific exceptions

This section does not cover:

1. liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event;
2. fines, penalties, punitive or vindictive damages;
3. damages in respect of judgements delivered, awarded or settlements made, including costs recovered by any claimant from the insured, otherwise than by a court of competent jurisdiction within the Republic of South Africa;
4. any claim arising from an event known to the insured:
 - a) which is not reported to OUTsurance in terms of General condition 7, or
 - b) prior to inception of this section; and
5. any claim (in the event of cancellation of this section) not first made in writing against the insured within the 48 month period (or extended period in respect of minors) as specified in the Specific condition 2.

Specific conditions

1. Any claim first made in writing against the insured as a result of a defined event reported in terms of General condition 7 (hereinafter the reported event) shall be treated as if it had first been made against the insured on the same day that the insured reported the event to OUTsurance.
2. In the event of cancellation of the policy the following applies.
 - a) Any claim resulting from a reported event, first made in writing against the insured during the 48 months immediately following cancellation shall be treated as having been made against the insured on the same day that the insured reported the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant.
 - b) The insured may report an event in terms of General condition 7 to OUTsurance for up to 30 days after cancellation, provided that:
 - i. such event occurred during the period of insurance; and
 - ii. any subsequent claim first made in writing against the insured as a result of such event shall be treated as if it has first been made on the last day preceding cancellation and is subject to the 48 months period specified in 2(a) above.
3. Any series of claims made against the insured by one or more claimants during the period of insurance consequent upon one or more events with one original cause shall be treated as if they all had first been made against the insured
 - a) on the date that the event was reported by the insured in terms of General condition 7; or
 - b) if the insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the insured.
4. **The limit of indemnity**

The amounts payable, inclusive of any legal costs recoverable from the insured for any one or more events arising from one original cause, shall not exceed the limit of indemnity noted in the schedule.
5. **Territorial limits**

The Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi.
6. **Principals**

Where a principal and the insured are liable for the same damages and where any contract or agreement between a principal and the insured so requires, OUTsurance will indemnify the principal in like manner to the insured but only so far as concerns the liability of the principal to an employee as aforementioned for death, bodily injury to, or illness of such person resulting from the negligence of the insured or the insured's employees.

Provided that:

 - a) in the event of a claim in terms of this extension, the insured shall arrange with the principal for the conduct and control of all claims to be vested in OUTsurance;
 - b) the principal shall, as though he was the insured, fulfil and be subject to the terms, exceptions and conditions of this policy in so far as they apply; and
 - c) the liability of OUTsurance is not hereby increased.

PERSONAL ACCIDENT

Defined events

Death and bodily injury caused by accidental, violent, external and visible means to any principal, partner, director, member or employee of the insured (hereinafter in this section referred to as such person) specified in the schedule.

OUTsurance will pay to the insured, on behalf of such person or his estate, the compensation noted in the schedule in the event of death and bodily injury to such person directly and independently of all other causes resulting within 24 months in death or disability.

The complete benefits table with the percentage of compensation is noted in the schedule.

Any extension of any period of insurance shall not have the effect of increasing the liability of OUTsurance beyond the sum insured noted in the schedule. OUTsurance's liability is limited to the sum noted in the schedule during any 12 month period of insurance calculated from inception or renewal.

Definitions

1. Permanent disability

As specified in the benefits table in the schedule.

2. Temporary total disability

Total and absolute incapacity following usual business or occupation.

3. Medical expenses

All expenses incurred for artificial aids, prostheses, medical, surgical, dental, nursing home or hospital treatment, including emergency transportation or freeing such person if trapped as a result of bodily injury and incurred within 24 months of the defined event.

Specific exceptions

OUTsurance shall not be liable to pay compensation for death, disability or medical expenses in respect of such person:

1. while he is travelling by air other than as a fare-paying passenger;
2. by suicide or intentional self-injury;
3. caused solely by an existing physical defect or other medical condition of such person;
4. as a result of the influence of alcohol, drugs or narcotics upon such person except for prescribed medicine taken in accordance with the instructions of a member of the medical profession (other than himself);
5. as a result of his participation in any riot, civil commotion or terrorism;
6. attributable to pregnancy, childbirth, abortion, miscarriage, obstetrical procedures;
7. while he is engaging in off-road motorcycling, any kind of speed contest other than on foot, aeronautics, hang-gliding, skydiving, parachuting, mountaineering where the aid of guide ropes is required, rock climbing, game hunting, hurdling, steeple chasing, polo, professional sports, snow or ice sports, racing with power-driven vehicles, watercraft or aircraft, martial arts, bungee jumping, scuba and deep diving; and
8. mining or using explosives unless as part of the insured's noted business activity.

Specific conditions

1. OUTsurance shall not be liable to pay, for death or disability resulting from an accident or series of accidents arising from one cause in respect of any one such person, more than the compensation payable for death or permanent disability (whichever is the highest) plus any compensation payable for temporary total disability and medical expenses.
2. The compensation specified for temporary total disability shall be payable for not more than the number of weeks noted in the schedule and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible or up to the number of weeks as noted in the schedule, notwithstanding that permanent disability may remain.
3. This section shall only apply to any such person between the ages of 14 and 70.
4. After suffering accidental bodily injury for which compensation may be payable under this section, such person shall, when required by OUTsurance to do so, submit to medical examination and undergo any treatment specified. OUTsurance shall not be liable to make any payment unless this condition is complied with to its satisfaction.
5. General condition 3 does not apply to this section.

Items

1. Blanket Basis

The liability of OUTsurance shall not exceed the sum insured noted in the schedule whether involving any one or more employees.

2. Named person basis

The liability of OUTsurance involving any employee shall not exceed the sum insured noted in the schedule.

3. Department or position basis

The liability of OUTsurance involving any position held in the business shall not exceed the sum insured or the respective number of people noted in the schedule

Cover restriction (if noted in the schedule to apply)

1. Business Limitation

This section applies only in respect of accidental bodily injury to such person arising from the course of his employment in the business.

Additional perils (if noted in the schedule to be included)

1. Burns disfigurement

The following item is added to the definition of permanent disability:

- a) Permanent disfigurement resulting from accidental external burns to the combined surface area of the:
 - i. face and neck; and/or
 - ii. remaining parts of the body other than face and neck.

The percentage surface area disfigurement is noted in the schedule.

Clauses and extensions

1. Exposure

Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements, directly or indirectly resulting from mishap.

2. Disappearance

In the event of the disappearance of any such person in circumstances which satisfy OUTsurance that he sustained injury to which this section applies, and that such injury has resulted in the death of such person, OUTsurance will presume his death provided that if, after OUTsurance has made payment in respect of such person's presumed death, he is found to be alive, such payment shall be refunded by the insured to OUTsurance.

3. Life support machinery

The 24 months period noted herein shall not include any period where the death of such person is delayed solely by the use of life support machinery, equipment or apparatus, for a period of not less than three consecutive days.

Sub-Section A: Loss or damage

Defined events

Loss of or damage to any vehicle described in the schedule and its accessories and its spare parts whilst thereon. In addition, if such vehicle is disabled following an insured event, OUTsurance will pay the reasonable cost of securing and removal to the nearest repairers. OUTsurance will also pay the reasonable cost of delivery after repair.

Provided that:

1. The insured value option for each type of vehicle is as noted in the schedule and this value shall be the maximum amount payable by OUTsurance in respect of such loss or damage. The vehicle can be insured for:
 - a) retail value,
 - b) market value (the average between the vehicle's retail and trade values) or
 - c) nominated value (which applies to vehicles such as collectors vehicles, where OUTsurance require a valuation from a suitable source)OUTsurance consider the values provided by the Auto Dealer's Guide to determine the insured value of the vehicle and its accessories. Should the vehicle not be listed in the guide, OUTsurance will consider other suitable sources to establish its reasonable value. If a previously rebuilt (code 3) vehicle is stolen, hijacked or a write-off, the claim settlement will be adjusted to 70% of the insured value in the event of a write-off or total loss.
2. OUTsurance may choose whether to repair, reinstate or replace such vehicle or any part or accessory thereof or may choose to pay in cash the amount of the loss or damage. Any repairs, reinstatement or replacements must be completed within six months of the insured's claim being settled.
3. If any part or accessory needs to be repaired or replaced (following loss or damage insured under sub-section A) and the part or accessory is unobtainable in the Republic of South Africa, the liability of OUTsurance shall be discharged by the payment of a sum equal to the value of the part or accessory (including the reasonable cost of freight other than by air) at the time of the accident but not exceeding the price as noted in the manufacturer's last issued catalogue or price list.
4. If the vehicle is financed, such payment shall be made to the finance company. OUTsurance will pay the insured the difference if the settlement amount is less than the limit of indemnity, less the first amount payable and the following charges:
 - a) any early settlement penalties,
 - b) additional finance charges, and/or
 - c) any arrear instalments and interest.
5. Any person living in South Africa permanently must get a South African Driver's License within five years of becoming a permanent resident.
6. Following the settlement of a claim for a stolen or hijacked vehicle, OUTsurance will register the vehicle in OUTsurance's name. If the vehicle is recovered it becomes OUTsurance's property.

Exceptions to sub-section A

OUTsurance shall not be liable for:

- a) depreciation in value;
- b) damage to tyres by application of brakes or by road punctures, cuts or bursts;
- c) damage to springs or shock absorbers due to inequalities of the road or other surface or to impact with such inequalities or for; or
- d) more than the amount noted in the schedule (after deduction of the first amounts payable) in respect of loss or damage to accessories not supplied by the manufacturers of the vehicle when new.

Sub-Section B: Liability to third parties

Defined events

Any accident caused by or through or in connection with any vehicle described in the schedule or in connection with the loading and/or unloading of such vehicle in respect of which the insured becomes legally liable to pay all sums including claimant's costs and expenses in respect of the following.

Damage to property other than property:

- a) belonging to the insured;
- b) held in trust by or in the custody or control of the insured;
- c) being conveyed by, loaded onto or unloaded from the insured vehicle; or
- d) being towed by the insured vehicle.

OUTsurance will also:

1. indemnify any person who is driving or using the insured vehicle on the insured's order or permission provided that:
 - a) such person shall, as though he was the insured, adhere to the terms, exceptions and conditions of this insurance in so far as they can apply;
 - b) any person driving the insured vehicle has not been refused any motor insurance or continuance thereof by any insurer;
 - c) indemnity shall not apply in respect of claims made by any member of the same household as such person; and
 - d) such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable there under;
2. indemnify the insured while personally driving or using any private vehicle not belonging, leased or hired to him under a lease or suspensive sale agreement, provided the insured is an individual and that a vehicle described under definition (a) or (b) is insured hereunder and OUTsurance shall not be liable for damage to the vehicle being driven or used; and
3. indemnify the insured in respect of liability arising from the towing by a vehicle (other than for reward) of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided OUTsurance shall not be liable for damage to the towed vehicle or trailer or to property therein or thereon.

Exceptions to sub-section B

OUTsurance shall not be liable under this sub-section in respect of liability:

1. for death, bodily injury or emotional shock. Liability for death and bodily injury is covered by the Road Accident Fund inside South Africa; it is advisable to purchase cover for liability for death and bodily injury when travelling outside South Africa. Country specific cover is often compulsory and available when entering countries;
2. covered by any compulsory motor vehicle insurance Act, The Road Accident Fund Act, The Occupational Health and Safety Act, The Compensation for Occupational Injuries and Diseases Act and any other insurance contract; this exception shall apply notwithstanding that no insurance under such Act is in force or has been effected;
3. arising from the operation, demonstration or use of any tool of trade attached to the vehicle (for purposes other than maintenance or repair of the vehicle), or

- anything manufactured by or contained in the tool. This exclusion shall not apply to forklift trucks;
4. or damage to any viaduct bridge or weighbridge or to any road caused by vibration or by the weight of any insured vehicle or load carried by the insured vehicle; and
 5. for loss of or damage to property not belonging to the insured where a claim for the damage to the vehicle itself would not have been covered.

Sub-Section C: Medical expenses

Defined events

Following an incident for which the insured can claim, OUTsurance will pay the medical expenses incurred by any passenger. The maximum amount that the insured can claim for per incident, is noted on the schedule.

The amount payable under this sub-section shall be reduced by any amount recoverable under any Workmen's Compensation enactment or similar legislation.

The term medical expenses includes any costs incurred to free the passenger from the vehicle or to bring the injured passenger to a place where medical treatment can be given.

Specific exceptions to sub-section A and B

1. OUTsurance shall not be liable for any loss, damage or liability of the following.
 - a) Where the vehicle is:
 - i. being used for purposes other than for social, domestic, pleasure, business or occupational purposes of the insured as noted in the schedule;
 - ii. used for racing or competition;
 - iii. involved in an accident and it does not meet the roadworthy requirements as noted by road traffic legislation;
 - iv. carrying or towing a load of goods or passengers exceeding the capacity for which it was constructed or licensed to carry;
 - v. being used for any unauthorised purpose by an employee of the insured or by any other person with whom such employee is in collusion; and/or
 - vi. transporting any hazardous goods or carrying any explosives except if specifically noted in the schedule.
 - b) Incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique, but OUTsurance will indemnify the insured in terms of sub-section A against loss or damage to any vehicle while in transit by sea or air between places in these territories including loading and unloading incidental to such transit.
 - c) Incurred while any vehicle is being driven by:
 - i. the insured or any other person with the general consent of the insured and to the insured's knowledge:
 1. while under the influence of alcohol or drugs;
 2. while not licensed to drive such vehicle;
 3. with a license that is endorsed for drunken or reckless and negligent driving; or
 4. unlawfully leaves the scene of an accident;
 - ii. or is under the control by a person with the general consent of the insured and to the insured's knowledge who does not hold a current valid Professional Driving Permit (PrDP) to drive such a vehicle as required in terms of the National Road Traffic Act; this exception applies to all drivers of:
 1. goods vehicles with a Gross Vehicle Mass (GVM) exceeding 3 500kg,
 2. breakdown vehicles,
 3. buses,
 4. mini-buses with a GVM exceeding 3 500kg or with 12 or more seats (including the driver),
 5. motor vehicles conveying persons for reward, and
 6. motor vehicles conveying more than 12 persons.
 - d) Where the vehicle is in the possession of another party who is selling it on the insured's behalf, except if noted in the schedule.
 - e) Caused intentionally by the insured, the regular driver, any principal, partner, director or any member of their households or any of the insured's employees or which occurs with the insured's knowledge or consent.

Definitions

1. Occurrence

The term occurrence shall mean an occurrence or series of occurrences arising from one cause in connection with any one vehicle in respect of which indemnity is provided by this insurance.

2. Vehicle

The term vehicle shall mean any South African registered:

- a) private vehicles (including station wagons, safari vans and similar vehicles designed to seat not more than 12 persons including the driver);
- b) commercial vehicles and special type vehicles as described in the schedule;
- c) motorcycles (including motor scooters and three or four wheeled motorcycles);
- d) buses (including any vehicle used for business purposes and designed to seat more than 12 persons, including the driver);
- e) trailers, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle, but excluding any parts or accessories not permanently fitted thereto; and
- f) caravans, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle originally designed for living in, but excluding any parts or accessories not permanently fitted thereto.

3. Vehicle drivers

- a) Single regular driver - this is the person who drives the vehicle on a regular basis in any monthly period. By specifying a single regular driver, the insured confirms that no other person drives the vehicle on a regular basis.
- b) Multiple regular drivers - The insured can specify up to three drivers who all use the vehicle on a regular basis in any monthly period.
- c) Pool vehicle - A pool vehicle is a vehicle with no specific regular drivers, as the vehicle is used randomly by more than three drivers in any monthly period.

Vehicle Cover Limitations (if noted in the schedule to apply)

1. Liability to other parties only limitation

Sub-sections A and C are excluded.

2. Limited Cover (Third party, fire and theft only limitation)

The liability of OUTsurance under sub-section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft, hijack or attempted theft or attempted hijack. Further, sub-section C is excluded.

3. Comprehensive excluding theft and hijack

OUTsurance will not be liable under sub-section A for any loss or damage resulting from theft, hijack or attempted theft or attempted hijack.

4. Limited Cover excluding theft and hijack (Third party and fire only limitation)

The liability of OUTsurance under sub-section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion. Further, sub-section C is excluded.

5. Comprehensive excluding liability to other parties (applicable to motorcycles only)

Sub-section B is excluded.

6. Limited Cover excluding liability to other parties (applicable to motorcycles only)

The liability of OUTsurance under sub-section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft, hijack or attempted theft or attempted hijack. Further, sub-sections B and C are excluded.

7. Comprehensive excluding liability to other parties and riding damage (applicable to motorcycles only)

OUTsurance will not be liable under sub-section A for any loss or damage resulting from riding the motorcycle. Accidental damage while the motorcycle is stationary or while it is being towed on a trailer is covered.

Additional perils (if noted in the schedule to be included)

1. Non-standard vehicle sound equipment and accessories

Any non-factory fitted sound equipment and vehicle accessories items such as mag rims, boot spoilers and cell phone car kits need to be specified. If not specified, these items will not be insured. Items that are occasionally in the vehicle need to be insured under the Business All Risk section.

2. Contingent liability extension

The indemnity under sub-section B includes claims made against:

- a) the insured in the event of an accident arising in the course of the business and caused by any motor vehicle not the property of or provided by the insured, while being used by any partner, director, member or employee of the insured (hereinafter in this extension referred to as such person); and
- b) any such person in the event of an accident arising in the course of the business and caused by any motor vehicle not belonging to him or to the insured or leased or hired by either of them, but only in so far as such person has not been refused any motor insurance or continuance thereof by any insurer.

Provided that:

- a) OUTsurance shall not be liable for loss or damage to any motor vehicle used for the purposes and in the manner described in a) and b) above;
- b) the payment by the insured of subsidies or travelling allowances to such person for the use of his own vehicle for official purposes of the insured, including the carriage of persons for such purposes, is allowed without prejudice to the insurance by this extension; and
- c) if, at the time of the occurrence of any accident giving rise to a claim under this extension, the insured or such person is entitled to indemnity under any other policy in respect of the same occurrence, OUTsurance shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other policy.

3. Passenger liability extension

The indemnity under sub-section B extends to indemnify the insured against legal liability for death or bodily injury to fare paying passengers while being carried in or upon or getting on or off the insured vehicle following an accident in South Africa. Specific exception 1 to sub-section B shall be deleted.

OUTsurance shall not be liable for:

- a) death or bodily injury suffered by members of the same household, the regular driver, any members, employees, partners, directors, principals;
- b) death or bodily injury suffered by any person in or on a vehicle that is being towed or any passenger in the vehicle who is not in a permanently enclosed compartment designed by the original vehicle manufacturer to carry passengers other than purpose built game viewing vehicles;
- c) any liability arising from an incident not insured under sub-section A; and
- d) emotional shock.

The limit of indemnity for any one occurrence shall not exceed the amount noted in the schedule.

4. Unauthorised passenger liability extension

The indemnity under sub-section B extends to indemnify the insured against legal liability for death or bodily injury to fare paying-passengers while being carried in or upon or getting on or off the insured vehicle, in contravention of the insured's instructions to their driver not to carry passengers, following an accident in South Africa. Specific exception 1 to sub-section B shall be deleted.

OUTsurance shall not be liable for:

- a) death or bodily injury suffered by members of the same household, the regular driver, any members, employees, partners, directors, principals;
- b) death or bodily injury suffered by any person in or on a vehicle that is being towed or any passenger in the vehicle who is not in a permanently enclosed compartment designed by the original vehicle manufacturer to carry passengers other than purpose built game viewing vehicles;
- c) any liability arising from an incident not insured under sub-section A; and
- d) emotional shock.

The limit of indemnity for any one occurrence shall not exceed the amount noted in the schedule.

5. Parking facilities and movement of third party vehicles extension

This section extends to indemnify the insured in respect of accidents caused by the moving of any vehicle (not owned by, borrowed by, hired or leased to the insured) by any person in the employ of the insured, provided that the vehicle was being moved:

- a) with the authority of any tenant, customer or visitor of the insured;
- b) in connection with the insured's parking arrangements; or

- c) to facilitate the carrying out of the insured's business;

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

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

6. Riot and strike extension

This section is extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; and/or
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

7. Loss of keys extension

OUTsurance will indemnify the insured in respect of the cost of replacing locks and keys, the remote alarm controller and the reprogramming of any coded alarm system of the insured vehicle, following the loss or damage of any key or alarm controller or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller. OUTsurance's liability shall not exceed the amount noted in the schedule.

8. Credit shortfall extension

If any total loss settlement under sub-section A is less than the amount owing to the finance company under a current instalment sale or lease agreement, OUTsurance will pay to the insured an additional amount equal to the shortfall less:

- a) any arrear instalments or rentals including interest payable on such arrears, any amounts added to the principle debt after the commencement of the finance agreement and any early settlement penalties;
- b) any refundable amounts added to the insured's finance agreement over and above the purchase price of the vehicle. This includes insurance premiums, motor warranties and maintenance programmes which must be refunded to the insured by the company that administers the policy or warranty;
- c) the credit shortfall on vehicle sound equipment or non-standard vehicle accessories which are not specified on the schedule;
- d) the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled; and/or
- e) the first amount payable under sub-section A.

Provided always that:

- a) the amounts payable shall not exceed the maximum indemnity less the first amount under sub-section A;
- b) this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment; and
- c) if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

9. Car hire extension

The cover provided under sub-section A of this section is extended to include the provision of a hired vehicle following damage to a vehicle by a defined event, in addition to the limit of indemnity under sub-section A of this section. The period of this provision is limited from the date the defined event occurred until the claim is finalised, subject to a maximum period of 30 days.

OUTsurance is not liable for:

- a) the fuel deposit, running costs, toll fees, the collection and delivery fees; or
- b) the excess in the event of a claim for loss of or damage to the hired vehicle.

10. OUT-in-Africa extension

Refer to the OUT-in-Africa attachment to the schedule.

11. Vehicle loss of use extension

The cover provided under sub-section A of this section is extended to include loss incurred following loss or damage to a vehicle by a defined event, provided that, in addition to the limit of indemnity under sub-section A of this section, the daily limit of OUTsurance's liability under this extension shall not exceed the maximum daily limit noted in the schedule. The period of provision is limited from the date the defined event occurred until the claim is finalised, subject to a maximum period of days noted in the schedule.

The claim is finalised once the claim payment is made to the insured in the event of a total loss (e.g. the vehicle is uneconomical to repair or has been stolen or hijacked and not recovered) or the vehicle is returned once repaired for partial losses. The cover only starts once the claim is reported.

12. Vehicle sold on your behalf

The cover provided under sub-section A of this section is extended to include loss or damage to the insured vehicle by a defined event while it is in the possession of another party who is selling it on the insured's behalf. Specific exception 1. d) for sub-section A and B is deleted.

13. Extended Territories

The list of territorial countries specified under specific exception 1. b) is extended to include the Democratic Republic of the Congo (in all areas south of Kolwezi), Kenya, Tanzania, Uganda, Rwanda, Burundi, Angola and Zambia.

14. Legal liability of passengers for acts of negligence

The cover provided under sub-section B of this section is extended to indemnify any person using the insured vehicle.

Provided always that such person:

- a) is not personally driving or in control of the insured vehicle;
- b) is not entitled to indemnity under any other policy;
- c) is not under the influence of intoxicating liquor or drugs; and
- d) shall as though he were the Insured observe, fulfil and be subject to the terms, exceptions and conditions of this insurance in so far as they can apply.

15. Environmental Impairment Liability

The cover provided under sub-section B of this section is extended to cover legal liability in terms of any environmental law, including liability relating to clean-up and rehabilitation cost, arising as a direct consequence of the transportation of hazardous goods within the insured geographical area by the insured vehicle during the period of insurance. This includes legal costs which a third party can recover from the insured and which OUTsurance agrees to pay in order to settle or defend a claim against the insured. The amount payable under this extension for any one or more events arising from one original cause or during any one period of twelve consecutive months from inception date shall not exceed in the aggregate the limit of indemnity for this extension noted in the schedule.

Specific exception 1 a) vi for sub-section A and B is deleted.

The transportation starts when the items are being carried and loaded; it ends when the items have been delivered or off-loaded and accepted by the receiver of the hazardous goods.

The insured can claim for an incident or initial cause which occurred on or after the Retroactive Date noted in the schedule of which the insured was unaware at inception of this extension. The insured may report an event in terms of General condition 7 to OUTsurance for up to 30 days after cancellation.

If the Wreckage Removal extension is active at the time of the incident, the Wreckage Removal extension will be replaced by:

The cover provided under sub-section A of this section is extended to include costs incurred by the insured in respect of the removal of wreckage or debris of the insured vehicle following damage to the vehicle by a defined event, provided that OUTsurance's liability shall not exceed the limit noted in the schedule.

Provided that OUTsurance is not liable for:

- a) any claim caused by microbial matter. "Microbial matter" means fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including mould, mildew and viruses, whether or not such microbial matter is living;
- b) fines, penalties and punitive damages;
- c) asbestos or lead-related diseases (unless caused by a sudden, unforeseen and unintended happening);
- d) caused intentionally by the insured, the regular driver, any principal, partner, director or any member of their households or any of the insured's employees or which occurs with the insured's knowledge or consent;
- e) following the intentional disregard by the insured's technical or administrative management of the need to take reasonable precautions to prevent or minimise any event or circumstance which may give rise to a claim; or intentional, willful or negligent non-compliance with any laws, statutory instruments, by-laws, regulations, guidelines or standards having the force of law and which apply to environmental incidents and or the handling, storage, transportation or dealing, in any manner, with any substance;
- f) where injury, damage or environmental impairment arise out of incorrect delivery of goods, products or wastes into an incorrect receptacle, to the incorrect address or incorrect goods or products delivered; and
- g) if there is any interruption of the transportation (including but not limited to any rests or stops) of any substance conveyed that may cause a spillage or leakage, for a period longer than 72 hours.

Clauses and extensions

1. Waiver of subrogation rights

For the purposes of this section, OUTsurance waives all rights of subrogation or action which they may have against any other person to whom the indemnity hereunder applies, and each such person shall be subject to the terms, exceptions and conditions of this insurance.

2. Principals

Notwithstanding General exception 8, the indemnity under sub-section B extends to indemnify any principal named by the insured in a contract entered into with the Building Industries Federation of South Africa, to the extent required by the conditions of the contract, against any liability arising from the performance of the contract, provided that the liability of OUTsurance shall not exceed the limit of indemnity noted in the schedule.

3. Cross liabilities

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

4. Fire extinguishing charges extension

Any reasonable costs relating to the extinguishing or fighting of fire shall be payable in addition to any other payment for which OUTsurance may be liable in terms of this section provided the insured is legally liable for such costs and the insured property was in danger from the fire.

5. Premium adjustment clause

If this section is issued on a non-specified vehicle basis, the insured shall submit to OUTsurance at renewal a declaration of the total number of vehicles owned, hired or leased. OUTsurance shall, upon receipt of this declaration, make a premium adjustment of 50% of the annual rate per vehicle applied to the difference in the number of vehicles at inception or renewal and the number declared.

Sub-Section A: Material damage**Defined events**

Physical loss or damage to the property insured inside the building or to property designed to exist or operate outside at the insured premises noted in the schedule from any cause not specifically excluded whilst:

1. at work or at rest anywhere at the insured premises described in the schedule;
2. temporarily removed elsewhere to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique and Malawi provided that:
 - a) the temporary removal is for the purpose of cleaning, renovation, repair or similar process, otherwise the liability of OUTsurance shall not exceed 15% of the sum insured applicable to any item.

Exceptions to sub-section A

OUTsurance will not be liable to indemnify the insured irrespective of the original cause in respect of the following.

1. The first amount payable as noted in the schedule. Where more than one item of property insured suffers physical loss or damage, the first amount payable shall be the highest single amount applicable to such property insured.
2. Derangement unless accompanied by physical damage otherwise covered by this section.
3. Faults or defects known to the insured at the time this insurance was arranged or during the currency of the insurance, including the consequence of, and not disclosed to OUTsurance.
4. Wastage of material or wearing out of any part of the property insured caused by ordinary usage, working or other gradual deterioration, development of poor contacts or scratching of painted or polished surfaces of a cosmetic nature.
5. Parts having a short life such as bulbs, valves, contacts, X-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of loss or damage to other parts of the property insured by this sub-section, OUTsurance shall indemnify the insured for the residual value prior to the loss of such exchangeable parts.
6. The cost of reproducing data or programs unless specifically provided for in sub-section B hereof.
7. Loss of use of the property or other consequential loss, damage or liability other than losses specifically provided for herein.
8. Loss of the insured property directly or indirectly caused by:
 - a) theft, attempted theft or disappearance unless accompanied by visible signs of forced and violent entry into or exit from the building occupied by the insured at the insured premises described in the schedule; and/or
 - b) theft during transit or whilst temporarily removed from the insured premises unless identifiable by the insured with a specific incident which has been immediately reported to the police and OUTsurance.
9. Loss or damage to counterfeit items.

OUTsurance shall not indemnify the insured for:

- a) theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director, member or employee of the insured unless entry to such vehicle is accompanied by visible signs of forced entry and the property is:
 - i. concealed in the enclosed storage areas such as the cubby-hole, boot or under retractable or removable boot covers; property left in the open is not covered;
 - ii. stored in the loading area of an LDV and is concealed under hard-wearing, lockable load covers; items concealed under canvas are not covered;
 - iii. stored in the loading area of an LDV with a canopy and the canopy's windows are covered with "smash-and-grab" safety film of at least 100 micron and with visibility of 35% or less; there is no cover at all if the following items are left in the loading area:
 - cell phones,
 - computer, audio/video and photographic equipment, and
 - individual items worth more than R100 000.

Provided that above shall not apply to theft of the property insured where the transport vehicle:

- a) has been hijacked; or
- b) has been involved in a road accident or sustains a breakdown and, due to circumstances beyond the control of the vehicle crew/driver, the property insured is of necessity left unprotected.

Specific conditions**1. Limit of liability**

The indemnity by this sub-section is subject to the sums noted in the schedule, and where appropriate, includes importation duties and value added tax.

In addition thereto, the following:

a) Architects' and other professional fees

Professional fees incurred in the repair or reinstatement of property following insured loss or damage, but shall not include expenses incurred in connection with the preparation of the insured's claim.

b) Clearance costs

Costs incurred by the insured in respect of transportation, removal of damaged property, removal of debris, demolition, dismantling and re-erection of property and in providing, erecting and maintaining hoardings and other similar structures required during demolition, dismantling, debris removal and reconstruction following insured loss of or damage to such property, provided that the total amount does not exceed 15% of the total amount of the claim.

c) Express delivery and overtime

Extra charges for express delivery, airfreight, overtime, Sunday and holiday rates of wages payable in respect of the additional costs incurred by the insured for effecting repairs or replacement approved by OUTsurance, limited to 50% of the amount which the repair or replacement would have cost had these additional costs not been incurred.

2. Average

If the sum insured is less than the total value of the insured property OUTsurance shall pay only such proportion as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

If a separate sum insured is shown next to an additional peril representing a first loss limit, the above paragraph will be substituted with the following.

If the sum insured of the property is less than the total value of the insured property, OUTsurance shall be liable for that proportion of the first loss limit as the sum insured bears to the total value of such property and the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, to which this extension applies shall be separately subject to this clause.

Sub-Section B: Consequential loss (if noted in the schedule)

Defined events

The insurance provided by this sub-section shall be subject to the limits of indemnity noted in the schedule and shall include the following.

1. Increase in cost of working

Any additional expenditure not otherwise provided for in this section reasonably incurred by the insured during the period of indemnity in consequence of an accident, for the purposes of maintaining the normal operation of the business in respect of which liability is admitted by OUTsurance under sub-section A less any money saved during the indemnity period.

The indemnity by this item shall not apply to:

- a) the cover provided for in item 2 of this sub-section; and
- b) the intrinsic value of the property insured by sub-section A of this section.

2. Reinstatement of data/programms

This section is extended to cover the costs reasonably incurred for the reinstatement of data and programmes stored on the electronic equipment insured which are lost following a defined event covered under sub-section A.

Provided that:

- a) OUTsurance is not liable for the costs incurred due to programme error, incorrect entry, the use of unlicensed software or the inadvertent cancellation or corruption of data and programmes; and
- b) OUTsurance's liability is limited to the amount noted in the schedule.

Specific exceptions to sub-section B

1. Fines and penalties

OUTsurance shall not be liable to indemnify the insured in respect of fines or penalties for breach of contract, late or non-completion of orders or any penalties of whatsoever nature.

2. Loss of profit

OUTsurance shall not be liable to indemnify the insured in respect of loss of profit or consequential loss of whatsoever nature unless specifically provided for herein.

Specific exceptions (sub-sections A and B)

OUTsurance shall not be liable for:

1. Viruses, Trojans and worms
OUTsurance shall not indemnify the insured for loss or damage arising out of the action of any computer virus, Trojan or worm or other similar destructive media.
2. Loss or damage caused intentionally by the insured, any principal, partner, director, any member of the insured's household or any of the insured's employees.
3. Loss or damage caused intentionally by the insured's tenant or legal occupant which occurs with the insured's knowledge or consent.

Definitions

1. Partial loss

If the property insured suffers damage that can be repaired, the amount payable will be calculated based on the restoration expenses incurred to restore the damaged property to working order provided that:

- a) the value of damaged parts which can be used will be deducted;
- b) the costs of any alteration, addition, improvement or overhaul carried out at the time of repair will not be recoverable under this sub-section;
- c) if, without the consent of OUTsurance, temporary repairs are carried out by the insured in the interests of safety or to minimize further loss or damage to the property insured, the cost of such temporary repairs will be borne by OUTsurance. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the property insured, any additional costs so incurred or consequence arising there from will be for the account of the insured; and
- d) where the damage is restricted to a part or parts of an insured item, OUTsurance shall not be liable for an amount greater than the value of such part or parts which are lost or damaged.

2. Total loss

- a) The amount payable will be calculated based on the cost of replacing or reinstating with property on the same site of equal performance or capacity, or having the nearest equivalent performance or capacity.

3. Indemnity period

The period during which the results of the business shall be affected in consequence of the defined event beginning with the number of hours/days detailed in the schedule as the time excess after the occurrence of the event and ending not later than the expiry of the period detailed in the schedule as the indemnity period after such occurrence.

The time excess shall not apply to loss or damage directly caused by fire, storm (excluding lightning), subsidence, wind or the collapse of buildings.

4. Accident (Applicable to increase in cost of working only)

- a) Physical loss of or damage to the property insured described in the schedule from a defined event under sub-section A.
- b) Failure of the public supply of electricity at the terminal ends of the service feeders in the premises from any accidental cause other than:
 - i. the deliberate act of the insured or any supply authority; and
 - ii. drought or shortage of fuel at any electricity utility.

Provided that:

- i. the liability of OUTsurace shall not exceed the sum insured by this sub-section; and
- ii. the indemnity period shall commence 12 hours after and end no later than 30 days after such failure.

Electronic Equipment Cover Restriction (if noted in the schedule to apply)

1. Limited Cover

OUTsurace will not be liable under sub-section A for any loss or damage resulting from accidental damage or theft. Theft and/or Accidental damage can be included on a first loss basis only.

Additional perils (if noted in the schedule to be included)

1. Telkom access lines

Subject to the limits specified in the schedule, consequential loss as provided for under defined events 1 and 2 of sub-section B arising from accidental failure of the Telkom access lines is included, provided that:

- a) the liability of OUTsurace shall not exceed the sum insured by this sub-section; and
- b) the indemnity period shall commence 12 hours after and end no later than 30 days after such failure.

The insurance provided does not cover loss occasioned by the deliberate act of any Telkom authority or by any Telkom authority withholding or restricting access to its lines.

2. Incompatibility cover

This section is extended to include costs incurred in respect of:

- a) modifications or alterations to the property insured following a defined event covered under this section to ensure the operating integrity of the electronic system;
- b) replacement or upgrading of legal programs to achieve compatibility with the modified electronic system; and/or
- c) the restoration of previously captured data which has become inaccessible due to the modifications to the electronic system or in consequence of the replacement or upgrading of legal programs.

Provided always that:

- a) the costs provided for in a), b) and c) above shall be necessarily and reasonably incurred to maintain normal working conditions; and
- b) the indemnity by this extension shall, in respect of any one event, be limited to the amount noted in the schedule.

3. Riot and strike extension

This section is extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; and/or
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

Clauses and extension (sub-sections A and B)

1. Power surge or lightning strikes

Loss or damage to the property insured caused by power surges and dips, lightning or thunderbolt.

2. Fire brigade charges

If any public authority empowered to do so shall charge the insured with any costs arising from their activities in dealing with the consequences of an insured peril, such costs will be payable in addition to any other payment for which OUTsurace may be liable in terms of this insurance.

3. Tenants

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

4. Hire purchase/finance agreements

Where OUTsurace has knowledge of the property insured being financed, payment hereunder shall be made to the finance company whose receipt shall be a full discharge to OUTsurace in respect of loss or damage covered by this subsection.

5. Currency fluctuations

The indemnity by this section shall include

- a) Provision for devaluation or revaluation of the currency of the Republic of South Africa against that of the country of origin of the property insured and other inflationary trends, which may result in the escalation of the sum insured (representing the installed new replacement value) of the property insured.

Provided that the increase shall not exceed the total sum insured for the item affected as noted in the schedule, by more than 25%.

6. Prevention of access extension to Sub-Section B

If property within a 10 km radius of the premises noted in the schedule is lost or damaged by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or impact by vehicles and this prevents or hinders the use of or access to the property insured, and the business is interrupted, OUTsurace will pay any loss as provided for under defined events 1 and 2 of sub-section B up to an amount not exceeding 50% of the sum insured on the affected property.

7. Reinstatement

In the event of any interruption, following loss or damage, being aggravated by:

- a) the insured being unable or unwilling to replace or reinstate property destroyed or damaged, or failing to carry out such replacement or reinstatement within a reasonable time; or
- b) additions, alteration or improvements being effected to the property insured on the occasion of its repair.

OUTsurance's liability under this section shall be related solely to the business interruption which would have arisen in the absence of a) and b).

MOTOR TRADERS INTERNAL RISKS

Sub-Section A: Damage

Defined events

Damage to any insured vehicle described in the schedule and its accessories or spare parts, occurring on the premises owned by or occupied by the insured.

Provided that:

1. The limit of indemnity for each type of vehicle is noted in the schedule and shall be the maximum amount payable by OUTsurance in respect of such damage, but shall not exceed the reasonable market value.
2. OUTsurance may choose to repair, reinstate or replace such vehicle or any part or accessory thereof or may choose to pay in cash the amount of the damage. Any repairs, reinstatement or replacements must be completed within six months of the insured's claim being settled.
3. If any part or accessory needs to be repaired or replaced (following damage insured under sub-section A) and the part or accessory is unobtainable in the Republic of South Africa, the liability of OUTsurance shall be discharged by the payment of a sum equal to the value of the part or accessory (including the reasonable cost of freight other than by air) at the time of the accident but not exceeding the price as stated in the manufacturer's last issued catalogue or price list.
4. If the vehicle is financed, such payment shall be made to the finance company. OUTsurance will pay the insured the difference if the settlement amount is less than the limit of indemnity, less the first amount payable and the following charges:
 - a) any early settlement penalties,
 - b) additional finance charges, and/or
 - c) any arrear instalments and interest.

Exceptions to sub-section A

OUTsurance shall not be liable for:

- a) depreciation in value;
- b) damage to tyres by application of brakes or by road punctures, cuts or bursts; or
- c) for more than the amount noted in the schedule (after deduction of the first amounts payable).

Sub-Section B: Liability to third parties

Defined events

OUTsurance will indemnify the insured for any accidental damage occurring on the premises caused by any insured vehicle described in the schedule in respect of which the insured becomes legally liable to pay all sums including claimant's costs and expenses in respect of the following.

Damage to property other than property:

- a) belonging to the insured;
- b) held in trust by or in the custody or control of the insured;
- c) belonging to a member of the same household as the insured; and
- d) belonging to an employee of the insured.

Provided that the liability of OUTsurance under Sub-section B shall be limited to the sum specified in the schedule.

Exceptions to sub-section B

OUTsurance shall not be liable under this sub-section in respect of liability:

1. for death, bodily injury or emotional shock. Liability for death and bodily injury is covered by the Road Accident Fund inside South Africa;
2. covered by any compulsory motor vehicle insurance Act, The Road Accident Fund Act, The Occupational Health and Safety Act, The Compensation for Occupational Injuries and Diseases Act and any other insurance contract. This exception shall apply notwithstanding that no insurance under such Act is in force or has been effected;
3. arising from the operation, demonstration or use of any tool of trade attached to the vehicle (for purposes other than maintenance or repair of the vehicle), or anything manufactured by or contained in the tool. This exclusion shall not apply to forklift trucks; and
4. arising from an incident not insured under sub-section A.

Specific exceptions to sub-section A and B

OUTsurance shall not be liable for any loss, damage or liability in respect of:

1. damage directly or indirectly caused by fire, explosion or lightning, provided that this exception shall not apply to a claim arising from damage to the insured vehicle caused by fire or explosion resulting directly from the insured vehicle;
2. any consequence of theft or housebreaking or any attempt thereof;
3. damage to any vehicle or any other property sustained while it is being worked on and directly resulting from such work;
4. any defective workmanship or any consequence thereof;
5. damage caused by any demolition or structural alteration to the premises or by the installation of any equipment;
6. damage resulting from the driving of the insured vehicle elsewhere than on the premises;
7. damage caused by weather conditions to the insured vehicle;
8. damage caused by the use of power-driven cranes, elevators, lifts, hoists or animals; and
9. caused intentionally by the insured, any principal, partner, director or any member of their households or any of the insured's employees or which occurs with the insured's knowledge or consent.

Definitions

1. Insured vehicle

Any motor vehicle, trailer, motorcycle, caravan or watercraft, including the spare wheels and standard issued tools, accessories and spare parts whilst thereon or attached thereto belonging to the insured or belonging to another person which is in the insured's custody and control or which forms part of the insured's vehicle stock.

2. Application of limits of indemnity

In the event of any accident involving indemnity to more than one person, any limitation by the terms of this Section of the amount of indemnity shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the insured.

Vehicle Cover Limitations (if noted in the schedule to apply)

1. Third party only cover

Sub-section A is excluded.

Additional perils (if noted in the schedule to be included)

1. Work away from premises

"Premises" shall include any premises at which the Insured is performing work provided that such premises are not under the control of the insured.

2. Car hoists

"Except car hoists having a lift not exceeding two metres" are added at the end of Specific Exception 8 of the Specific Exceptions applicable to all Sections.

3. Credit shortfall extension

If any total loss settlement under sub-section A is less than the amount owing to the finance company under a current instalment sale or lease agreement, OUTsurance will pay to the insured an additional amount equal to the shortfall less:

- a) any arrear instalments or rentals including interest payable on such arrears, any amounts added to the principle debt after the commencement of the finance agreement and any early settlement penalties;
- b) any refundable amounts added to the insured's finance agreement over and above the purchase price of the vehicle. This includes insurance premiums, motor warranties and maintenance programmes which must be refunded to the insured by the company that administers the policy or warranty;
- c) the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled; and
- d) the first amount payable under sub-section A.

Provided always that:

- a) the amounts payable shall not exceed the maximum indemnity less the first amount under sub-section A;
- b) this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment; and
- c) if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

4. Car hire extension

The cover provided under sub-section A of this section is extended to include the provision of a hired vehicle following damage to a vehicle by a defined event, in addition to the limit of indemnity under sub-section A of this section. The period of provision is limited from the date the defined event occurred until the claim is finalised, subject to a maximum period of 30 days.

Provided that:

OUTsurance is not liable for:

- a) the fuel deposit, running costs, toll fees, the collection and delivery fees; and
- b) the excess in the event of a claim for loss of or damage to the hired vehicle.

5. Loss of use of customers' vehicles

The cover provided under sub-section A of this section is extended to include loss incurred following damage to a vehicle belonging to a customer in the custody or control of the insured by a defined event, provided that, in addition to the limit of indemnity under sub-section A of this section, the daily limit of OUTsurance's liability under this extension shall not exceed the maximum daily limit noted in the schedule. The period of provision is limited from the date the defined event occurred until the claim is finalised, subject to a maximum period of days noted in the schedule.

The claim is finalised once the vehicle claim's payment is made to the insured in the event of a total loss (e.g. the vehicle is uneconomical to repair) or the vehicle is returned once repaired for partial losses. The cover only starts once the claim is reported.

MOTOR TRADERS EXTERNAL RISKS

Sub-Section A: Loss or damage

Defined events

Loss of or damage to any insured vehicle described in the schedule and its factory fitted accessories or spare parts, occurring elsewhere than on any business premises owned by or occupied by the insured. The insured vehicle must be used in accordance with the terms of the basis of insurance as indicated under the cover details section in the schedule. In addition, if such vehicle is disabled following an insured event, OUTsurance will pay the reasonable cost of securing and removal to the nearest repairers. OUTsurance will also pay the reasonable cost of delivery after repair.

Provided that:

1. The limit of indemnity for each type of vehicle is noted in the schedule and shall be the maximum amount payable by OUTsurance in respect of such loss or damage, but shall not exceed the reasonable market value.
2. OUTsurance may choose to repair, reinstate or replace such vehicle or any part or accessory thereof or may choose to pay in cash the amount of the loss or damage. Any repairs, reinstatement or replacements must be completed within six months of the insured's claim being settled.
3. If any part or accessory needs to be repaired or replaced (following loss or damage insured under sub-section A) and the part or accessory is unobtainable in the Republic of South Africa, the liability of OUTsurance shall be discharged by the payment of a sum equal to the value of the part or accessory (including the reasonable cost of freight other than by air) at the time of the accident but not exceeding the price as noted in the manufacturer's last issued catalogue or price list.
4. If the vehicle is financed, such payment shall be made to the finance company. OUTsurance will pay the insured the difference if the settlement amount is less than the limit of indemnity, less the first amount payable and the following charges:
 - a) Any early settlement penalties
 - b) Additional finance charges
 - c) Any arrear instalments and interest

Exceptions to sub-section A

OUTsurance shall not be liable for:

- a) depreciation in value;
- b) damage to tyres by application of brakes or by road punctures, cuts or bursts;
- c) damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities; or
- d) more than the amount noted in the schedule (after deduction of the first amounts payable) in respect of loss or damage to accessories not supplied by the manufacturers of the vehicle when new.

Sub-Section B: Liability to third parties

Defined events

OUTsurance will indemnify the insured for any accidental damage caused by or through or in connection with any vehicle described in the schedule or in connection with the loading and/or unloading of such vehicle, occurring elsewhere than on any business premises owned by or occupied by the insured, in respect of which the insured becomes legally liable to pay all sums including claimant's costs and expenses in respect of:

Damage to property other than property:

- a) belonging to the insured;
- b) held in trust by or in the custody or control of the insured;
- c) being conveyed by, loaded onto or unloaded from the insured vehicle;
- d) being towed by the insured vehicle.

OUTsurance will also:

1. indemnify any person who is driving or using the insured vehicle, in accordance with the terms of the basis of insurance as indicated under the cover details section in the schedule, on the insured's order or permission provided that:
 - a) such person shall, as though he was the insured, adhere to the terms, exceptions and conditions of this insurance in so far as they apply;
 - b) any person driving the insured vehicle has not been refused any motor insurance or continuance thereof by any insurer;
 - c) indemnity shall not apply in respect of claims made by any member of the same household as such person; and
 - d) such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder;
2. Indemnify the insured in respect of liability arising from the towing by a vehicle of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided OUTsurance shall not be liable for damage to the towed vehicle or trailer or to property therein or thereon.

Exceptions to sub-section B

OUTsurance shall not be liable under this sub-section in respect of liability:

1. For death, bodily injury or emotional shock. Liability for death and bodily injury is covered by the Road Accident Fund inside South Africa. It is advisable to purchase cover for liability for death and bodily injury when travelling outside South Africa. Country specific cover is often compulsory and available when entering countries.
2. Covered by any compulsory motor vehicle insurance Act, The Road Accident Fund Act, The Occupational Health and Safety Act, The Compensation for Occupational Injuries and Diseases Act and any other insurance contract. This exception shall apply notwithstanding that no insurance under such Act is in force or has been effected.
3. Arising from the operation, demonstration or use of any tool of trade attached to the vehicle (for purposes other than maintenance or repair of the vehicle), or anything manufactured by or contained in the tool. This exclusion shall not apply to forklift trucks.
4. Or damage to any viaduct bridge or weighbridge or to any road caused by vibration or by the weight of any insured vehicle or load carried by the insured vehicle
5. Arising from an incident not insured under sub-section A.

Specific exceptions to sub-section A and B

1. OUTsurance shall not be liable for any loss, damage or liability of the following.
 - a) Where the vehicle is:
 - i. being used for purposes other than for social, domestic, pleasure, business or occupational purposes of the insured as noted in the schedule;
 - ii. used for racing or competition;
 - iii. arising if a vehicle does not meet the roadworthy requirements as noted by road traffic legislation;
 - iv. carrying or towing a load of goods or passengers exceeding the capacity for which it was constructed or licensed to carry;
 - v. being used for any unauthorised purpose by an employee of the insured or by any other person with whom such employee is in collusion; and/or
 - vi. transporting any hazardous goods or carrying any explosives.
 - b) Incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique, but OUTsurance will indemnify the insured in terms of sub-section A against loss or damage to any vehicle while in transit by sea or air between places in these territories including loading and unloading incidental to such transit.
 - c) Incurred while any vehicle is being driven by:
 - i. the insured or any other person with the general consent of the insured and to the insured's knowledge:
 1. while under the influence of alcohol or drugs;
 2. while not licensed to drive such vehicle;
 3. with a licence that is endorsed for drunken or reckless and negligent driving; or
 4. unlawfully leaves the scene of an accident; or
 - ii. is under the control by a person with the general consent of the insured and to the insured's knowledge who does not hold a current valid Professional Driving Permit (PrDP) to drive such a vehicle as required in terms of the National road Traffic Amendment Act. This exception applies to all drivers of:
 1. goods vehicles with a Gross Vehicle Mass (GVM) exceeding 3 500kg,
 2. breakdown vehicles,
 3. buses,
 4. mini-buses with a GVM exceeding 3 500kg or with 12 or more seats (including the driver),
 5. motor vehicles conveying persons for reward, and
 6. motor vehicles conveying more than 12 persons.
 - d) Where the vehicle is in the possession of another party who is selling it on the insured's behalf, except if noted in the schedule.
 - e) Caused intentionally by the insured, any principal, partner, director or any member of their households or any of the insured's employees or which occurs with the insured's knowledge or consent.

Definitions

1. Insured vehicle

Only the type of vehicles specified in the schedule will be covered and include the spare wheels and standard issued tools, accessories and spare parts whilst thereon or attached thereto belonging to the insured (excluding any vehicles belonging to the insured and hired or sold under a hire purchase or suspensive sale or other deferred ownership agreement unless such vehicle is in the custody or control of the insured at the time of the insured event) or belonging to another person which is in the insured's custody and control or which forms part of the insured's vehicle stock and any vehicle (mechanically propelled or otherwise) attached to any aforementioned vehicle for the purposes of being towed or salvaged.

Each type is defined as follows.

a) Motorcycle

Any two, three or four-wheeled motorcycle or motor scooter (including any side car attached thereto).

b) Light Commercial Vehicle

Vehicles with a Gross Vehicle Mass smaller than 4 250kg.

c) Medium Commercial Vehicle

Vehicles with a Gross Vehicle Mass smaller than 16 000 kg and larger than 4 250 kg.

d) Heavy Commercial Vehicle

Vehicles with a Gross Vehicle Mass larger than 16 000 kg.

e) Mobile Mechanically Propelled Plant

Any tractor, agricultural, horticultural or forestry vehicle of load and earth moving equipment, lift truck or mobile crane and any vehicle (mechanically-propelled or otherwise) attached to any aforementioned vehicle for the purpose of being towed or salvaged.

f) Buses

Vehicles with a Gross Vehicle Mass larger than 4 250 kg that is used for the purpose of carrying passengers.

g) Trailers

Any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle, but excluding any parts or accessories not permanently fitted thereto.

h) Caravans

Any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle originally designed for living in, but excluding any parts or accessories not permanently fitted thereto.

i) Watercraft

Any motorboat, ski boat or wet bike which consists of the hull, motors, machinery, equipment, standard fittings and accessories that would normally be sold with it.

2. Application of limits of indemnity

In the event of any accident involving indemnity to more than one person, any limitation by the terms of sub-section B of the amount of indemnity shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the Insured.

3. Demonstration

A limited period of driving the insured vehicle by a client or potential client in order to assess its capabilities and limitations for the purpose of purchasing the insured vehicle.

Basis of insurance

1. Wages basis

- a) The insured vehicle must be used:
 - i. For business purposes of the insured by the insured or a member, director or employee of the insured. Persons not regularly employed by the insured are not covered.
 - ii. For purposes of tuition provided that the person being taught to drive is complying with the law in force relating to learner-drivers and is accompanied by a fully licensed driver who shall be either the insured or a member, director or employee of the insured;
 - iii. For purposes of demonstration which shall include driving by the person to whom the insured vehicle is being demonstrated provided that such person has a valid driver's license or permit and accompanied by a fully licensed driver who shall be either the insured or a member, director or employee of the insured;
 - iv. For social, domestic and pleasure purposes, excluding for demonstration, by any person other than the insured or a member, director or employee of the insured, provided that:
 1. such person does not have the vehicle in possession for more than 30 consecutive days
 2. such use is incidental to the business of the insured.
- b) OUTsurance requires that the Insured shall regularly record in a proper wage register:
 - i. the name of every employee;
 - ii. the wages, salary, commission and other consideration paid to such employee and
 - iii. the date of engagement and of discharge of each employee

2. Named driver basis

Persons mentioned under the heading "NAMED DRIVER BASIS" in the schedule must be the insured or a member, director or employee of the insured.

The insured vehicle must be used:

- a) for business purposes of the insured by any person mentioned under the heading "NAMED DRIVER BASIS" in the schedule;
- b) for purposes of tuition provided that the person being taught to drive is complying with the law in force relating to learner-drivers and is accompanied by any person whose name is mentioned under the heading "NAMED DRIVER BASIS" in the schedule;
- c) for the purposes of demonstration which shall include driving by the person to whom the insured vehicle is being demonstrated provided that such person has a valid driver's license or permit and is accompanied by any person whose name is mentioned under the heading "NAMED DRIVER BASIS" in the schedule; and
- d) for social, domestic and pleasure purposes, excluding for demonstration, by any person other than the insured or a member, director or employee of the insured, provided that:
 1. such person does not have the vehicle in possession for more than 30 consecutive days; and
 2. such use is incidental to the business of the insured.

Vehicle Cover Limitations (if noted in the schedule to apply)

1. Exclusion of own vehicles

The expression "insured vehicle" used in this Section is deemed not to include any vehicles belonging to the insured or which forms part of the insured's vehicle stock.

2. Exclusion of demonstration risk

OUTsurance shall be under no liability whilst any insured vehicle is being used for the purpose of demonstration.

3. Third party, fire and theft only limitation

The liability of OUTsurance under sub-section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat.

4. Third party only limitation

Sub-section A is excluded.

Additional perils (if noted in the schedule to be included)

1. Use for social, domestic and pleasure purposes

The indemnity provided by this Section applies whilst any insured vehicle is being used for social, domestic and pleasure purposes, by, if insured according to the:

- a) wages basis, any person being the insured or a member, director or employee of the insured; or
- b) named basis, any person being the insured or a member, director or employee of the insured mentioned under the heading "NAMED DRIVER BASIS" in the schedule.

2. Loss of use of customers' vehicles

The cover provided under sub-section A of this section is extended to include loss incurred following loss or damage to a vehicle belonging to a customer in the custody or control of the insured by a defined event, provided that, in addition to the limit of indemnity under sub-section A of this section, the daily limit of OUTsurance's liability under this extension shall not exceed the maximum daily limit noted in the schedule. The period of provision is limited from the date the defined event occurred until the claim is finalised, subject to a maximum period of days noted in the schedule.

The claim is finalised once the vehicle claim's payment is made to the insured in the event of a total loss (e.g. the vehicle is uneconomical to repair or have been stolen or hijacked and not recovered) or the vehicle is returned once repaired for partial losses. The cover only start once the claim is reported.

3. Unauthorised use of vehicles by employees

Specific Exception 1. a)(v) of the Specific Exceptions to this Section is deleted.

4. Legal liability of passengers for acts of negligence

The cover provided under sub-section B of this section is extended to indemnify any person using the insured vehicle.

Provided always that such person:

- a) is not personally driving or in control of the insured vehicle;
- b) is not entitled to indemnity under any other policy;
- c) is not under the influence of intoxicating liquor or drugs; and
- d) shall as though he were the insured adhere to the terms, exceptions and conditions of this insurance in so far as they apply.

5. Vehicle equipment and accessories

OUTsurance will indemnify the insured in respect of the cost of replacing locks, keys, access cards, sound equipment, vehicle parts and non-factory fitted accessories following loss or damage, provided that OUTsurance's liability shall not exceed the amount noted in the schedule.

6. Credit shortfall extension

If any total loss settlement under sub-section A is less than the amount owing to the finance company under a current instalment sale or lease agreement, OUTsurance will pay to the insured an additional amount equal to the shortfall less:

- a) any arrear instalments or rentals including interest payable on such arrears, any amounts added to the principle debt after the commencement of the finance agreement and any early settlement penalties;
- b) any refundable amounts added to the insured's finance agreement over and above the purchase price of the vehicle. This includes insurance premiums, motor warranties and maintenance programmes which must be refunded to the insured by the company that administers the policy or warranty;
- c) the credit shortfall on vehicle sound equipment or non-factory fitted vehicle accessories which are not specified on the schedule;
- d) the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled; and
- e) the first amount payable under sub-section A.

Provided always that:

- a) the amounts payable shall not exceed the maximum indemnity less the first amount under sub-section A;
- b) this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment; and
- c) if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

7. Vehicle sold on your behalf

The cover provided under sub-section A of this section is extended to include loss or damage to the insured vehicle by a defined event while it is in the possession of another party who is selling it on the insured's behalf. Specific exception 1. d) is deleted.

8. Car hire extension

The cover provided under sub-section A of this section is extended to include the provision of a hired vehicle following loss or damage to a vehicle by a defined event, in addition to the limit of indemnity under sub-section A of this section. The period of provision is limited from the date the defined event occurred until the claim is finalised, subject to a maximum period of 30 days.

Provided that OUTsurance is not liable for:

- a) the fuel deposit, running costs, toll fees, the collection and delivery fees; and
- b) the excess in the event of a claim for loss of or damage to the hired vehicle.

9. Riot and strike extension

This section is extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; and/or
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

10. OUT-in-Africa extension

Refer to the OUT-in-Africa attachment to the schedule.

11. Extended Territories

The list of territorial countries specified under specific exception 1. b) is extended to include the Democratic Republic of the Congo (in all areas south of Kolwezi), Kenya, Tanzania, Uganda, Rwanda, Burundi, Angola and Zambia.

Clauses and extensions

1. Driving of motorcycles

If the vehicle type mentioned in the schedule includes a motorcycle, the indemnity provided by this extension is extended to apply whilst any insured motorcycle or insured motor scooter is being driven by a person for the purpose of tuition or demonstration without being accompanied by the insured or a member, director or employee of the insured, provided that the person being taught to drive or the person to whom the motorcycle or motor scooter is being demonstrated to, is complying with the law in force relating to learner-drivers.

Defined events

Unforeseen and sudden accidental physical damage to the insured property due to mechanical, electrical or electronic breakdown, from any cause not specifically excluded. The damage must occur while the property is:

1. at work;
2. at rest;
3. being dismantled or subsequently re-erected for the purpose of:
 - a) cleaning,
 - b) inspection,
 - c) repair,
 - d) overhaul,
 - e) removal to another position within the premises, or
 - f) or in the course of these operations.

The damage must be caused by, but not restricted to:

1. defects in casting or material;
2. faulty design;
3. faults at workshop or in erection;
4. bad workmanship or lack of skill;
5. carelessness with respect to the insured machine;
6. shortage of water in boilers;
7. physical explosion;
8. tearing apart on account of centrifugal force;
9. short circuit; or
10. any other cause not specifically excluded.

Provided always that this insurance shall only apply to the insured property after successful completion of their performance acceptance tests whether they are at work or rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the premises, or during subsequent re-erection.

Specific exceptions

OUTsurance shall not be liable for the following.

1. The first amount payable as noted in the schedule. Where more than one item of property insured suffers physical loss or damage, the first amount payable shall be the highest single amount applicable to such property insured.
2. Direct or indirect loss of or damage to:
 - a) exchangeable tools (for example dies, moulds, engraved cylinders);
 - b) parts that by their use or nature suffer a high rate of wear and tear (for example but not limited to refractory linings, crushing hammers); and
 - c) objects made of glass, belts, ropes, wires, rubber tyres, chains, blades, cutters, knives, engraved or impression cylinders or rolls; porcelain, ceramics sieves, fabrics, heat resisting and anti-corrosive lining and parts of similar nature, packing material, non-metallic lining or coating of metal parts.
 - d) OUTsurance will cover operating media (for example but not limited to lubricants, fuels, catalysts, refrigerant and coolant) in the event of a total loss claim. The value of the operating media should be included in the sum insured.
3. Loss or damage caused by events as defined under the Fire section.
4. Loss of or damage to the machine caused by foreign objects entering the machine which do not form part of the intended use or application of the machine or any of its associated components.
5. Damage caused by accidental impact due to misfortune (including, but not limited to, a machine falling over/on the ground or an object impacting the machine).
6. Loss or damage caused by the wilful act or wilful negligence of the insured or his representatives.
7. Loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract.
8. Loss or damage caused directly or indirectly by any faults or defects within the knowledge of the insured existing at the time of commencement of this section, whether such faults or defects were known to OUTsurance or not.
9. Loss or damage as a direct consequence of the continual influence of operation (for example but not limited to wear and tear, cavitation, erosion, corrosion, rust or boiler scale).
10. Damage resulting from the misapplication of tools or from experiment, overhauls or tests requiring the imposition of abnormal conditions.
11. Loss or damage to stock caused by deterioration, unless added as an additional peril.
12. OUTsurance shall not be liable to indemnify the insured in respect of fines or penalties for breach of contract, late or non-completion of orders or any penalties of whatsoever nature.

Specific conditions

1. Machine Parts

Parts of machines should not be insured separately; their values should be included in the total value of the machine to which they are related.

2. Limit of liability

The indemnity by this sub-section is subject to the sums noted in the schedule, and where appropriate, includes importation duties and value added tax.

In addition thereto, the following:

a) Architects' and other professional fees

Professional fees incurred in the repair or reinstatement of property following indemnifiable loss or damage, but shall not include expenses incurred in connection with the preparation of the insured's claim.

b) Clearance costs

Costs incurred by the insured in respect of transportation, removal of damaged property, removal of debris, demolition, dismantling and re-erection of property and in providing, erecting and maintaining hoardings and other similar structures required during demolition, dismantling, debris removal and reconstruction following insured loss of or damage to such property, provided that the total amount does not exceed 15% of the total amount of the claim.

c) Express delivery and overtime (If noted in the schedule to be included)

Extra charges for express delivery (excluding airfreight), overtime, night work, Sunday and holiday rates of wages payable in respect of the additional costs incurred by the insured for effecting repairs or replacement approved by OUTsurance, limited to 50% of the amount which the repair or replacement would have cost had these additional costs not been incurred.

3. Average

If the sum insured is less than the total value of the insured property OUTsurance shall pay only such proportion as the sum insured bears to the total value of the insured property. Every item (if more than one) shall be separately subject to this condition.

4. Operation of damaged property

The liability of OUTsurance shall cease if the insured property is kept in operation after a claim without being repaired to the satisfaction of OUTsurance, or if temporary repairs are carried out without OUTsurance's consent.

5. Manufacturer's specifications

The insured shall fully observe the manufacturer's instructions for the operation, inspection and maintenance of the insured property and full observe government regulations, statutory regulations, municipal regulations and all other binding regulations in force concerning the operation and maintenance of the insured property.

Definitions

1. Partial loss

If the property insured suffers damage that can be repaired, the amount payable will be calculated based on the expenses incurred to restore the damaged property to its former working condition provided that:

- a) the value of damaged parts which can be used will be deducted;
- b) the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section;
- c) if, without the consent of OUTsurance, necessary temporary repairs are carried out by the insured in the interests of safety or to minimize further loss or damage to the property insured, the cost of such temporary repairs will be borne by OUTsurance. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the property insured, any additional costs so incurred or consequence arising therefrom will be for the account of the insured; and
- d) where the damage is restricted to a part or parts of an insured item, OUTsurance shall not be liable for an amount greater than the value of such part or parts.

If the repairs are executed at a workshop owned by the insured, OUTsurance shall pay the reasonable costs of materials and wages incurred for the purposes of the repairs plus a reasonable percentage to cover overhead charges.

2. Total Loss

- a) The amount payable will be calculated based on the cost of replacing or reinstating with property on the same site of equal performance or capacity, or having the nearest equivalent performance or capacity

Additional perils (if noted in the schedule to be included)

1. Deterioration of stock extension

Loss of or damage caused by:

- a) a sudden and unforeseen interruption of the public power supply, but excluding:
 - i. load shedding;
 - ii. the deliberate act of the insured or any public supply authority; and/or
 - iii. drought or shortage of fuel at any power station; and
- b) damage by a defined event covered under this section.

This extension does not cover:

- a) loss arising within the no-claim period noted in the schedule of goods stored in the refrigeration chambers due to deviation from the prescribed refrigeration temperature, unless deterioration is caused by contamination as a result of leakage of refrigerant or by accidental freezing of goods or unless fresh goods that have not yet reached the prescribed refrigeration temperature are affected thereby;

No-claim period is defined as the time period immediately following cessation of cooling during which, with the storage room left sealed, no deterioration takes place;

- b) loss to the goods stored arising as a result of shrinkage, inherent defects or diseases, natural deterioration or natural putrefaction;
- c) loss arising directly or indirectly from improper storage, damage to packing material, insufficient circulation of air, non-uniformity of temperature;
- d) loss caused directly or indirectly by temporary repair carried out without OUTsurance's consent of the refrigeration machinery;
- e) penalties for delay, consequential loss or damage or liability of any nature whatsoever; and
- f) loss or damage caused by the wilful act or wilful negligence of the insured or his representatives.

This extension shall apply only if:

- a) the refrigeration machinery is insured under this section;
- b) the insured refrigeration machinery is connected to an automatic alarm system in an attended location;
- c) the stock is not stored in "controlled atmosphere" chambers; and
- d) at the time of the loss or damage, the goods are stored in the refrigeration chambers.

The insured maintains on a daily basis stock records in which the type, quantity and value of the goods stored and the beginning and the end of the storage period are entered separately for each refrigeration chamber.

Specific exception 11 of this section is deleted.

Clauses and extensions

1. Capital additions

The insurance under this section covers alterations, additions and improvements to the property for an amount not exceeding 15% of the sum insured thereon, it being understood that the insured undertakes to advise OUTsurance of such alterations, additions and improvements as soon as possible.

2. Currency fluctuations

The indemnity by this section shall include:

- a) Provision for devaluation or revaluation of the currency of the Republic of South Africa against that of the country of origin of the property insured and other inflationary trends, which may result in the escalation of the sum insured (representing the installed new replacement value) of the property insured.

Provided that the increase shall not exceed the total sum insured as noted in the schedule, by more than 25%.

Sub-Section A: Loss or damage**Defined events**

Loss of or damage to any watercraft described in the schedule caused:

1. accidentally or intentionally (including theft, hijack, attempted theft or attempted hijack); or
2. by fire, explosion, earthquake, storm, hail, flood or snow.

While the watercraft is:

1. ashore;
2. afloat on inland waters; or
3. on coastal waters within a 20 km distance off the coasts of South Africa, Mozambique and Namibia.

Provided that:

1. the limit of indemnity is as noted in the schedule and this value shall be the maximum amount payable by OUTsurance in respect of such loss or damage, but shall not exceed the reasonable market value;
2. the watercraft is used exclusively for private or social purposes;
3. the insured ensures that anyone navigating the watercraft is competent to do so and adheres to the terms and conditions of this policy as well as the rules and regulations applicable to the specific waters where the watercraft is used;
4. loss of or damage to motors, machinery or batteries and their connections are only covered if the watercraft is stranded, sinks, burns or collides;
5. sails and protective covers, which are split or blown away by wind are only covered when the watercraft is stranded or the spars to which they are fastened are damaged; and
6. accessories are covered during use with the watercraft or when stored with the watercraft up to the value noted on the schedule. Accessories stored at different location to the watercraft is not covered.

Sub-Section B: Liability to third parties**Defined events**

Any legal liability incurred by the insured and the members of the insured's household following a watercraft accident which caused death, bodily injury to other people or damage to their property including claimant's costs and expenses in respect of:

1. Damage to property other than property:
 - a) belonging to the insured; or
 - b) held in trust by or in the custody or control of the insured.

Exceptions to sub-section B

OUTsurance shall not be liable under this sub-section in respect of liability:

1. to members of the insured's household, any of the insured's employees, or any fare-paying passengers; or
2. of any person being towed by the watercraft.

Sub-Section C: Medical expenses**Defined events**

Following an incident for which the insured can claim, OUTsurance will pay the medical expenses incurred by any passenger. The maximum amount that the insured can claim for per incident, is noted on the schedule.

The term medical expenses includes any costs incurred to free the passenger from the vehicle or to bring the injured passenger to a place where medical treatment can be given.

Definition

1. **Watercraft**
Any motorboat, ski boat or wet bike which consists of the hull, motors, machinery, equipment, standard fittings and accessories that would normally be sold with it.

Watercraft Cover Limitations (if noted in the schedule to apply)

1. **Comprehensive excluding water use**
The liability of OUTsurance under sub-section A is restricted solely to loss or damage as described under defined events, but only while the watercraft is ashore.

Specific exceptions to sub-section A and B

1. OUTsurance shall not be liable for any loss, damage or liability:
 - a) incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique, but OUTsurance will indemnify the insured in terms of sub-section A against loss or damage to any watercraft while in transit by land, sea or air between places in these territories;
 - b) caused intentionally by the insured, any principal, partner, director or any member of their households or any of the insured's employees or which occurs with the insured's knowledge or consent;
 - c) caused by any defect in the design or construction of the watercraft or any faulty repair work or maintenance; and/or
 - d) where the watercraft is in the possession of another party who is selling it on the insured's behalf, except if noted in the schedule.
2. OUTsurance shall not be liable for any loss or damage caused by theft or attempted theft of:
 - a) machinery, equipment, fittings and accessories that occurs without visible signs of force; and
 - b) the outboard motor if it is not securely bolted or chained to the watercraft.

3. OUTsurance shall not be liable for any loss of or damage to the outboard motor if it drops off or falls overboard.

Additional perils (if noted in the schedule to be included)

1. OUT-in-Africa extension

Refer to the OUT-in-Africa attachment to the schedule.

2. Watercraft sold on your behalf

The cover provided under sub-section A of this section is extended to include loss or damage to the insured watercraft by a defined event while it is in the possession of another party who is selling it on the insured's behalf.

3. Riot and strike extension

This section is extended to cover loss or damage caused by:

- a) civil commotion, labour disturbances, riot, strike or lockout; and
- b) the act of any lawfully established authority in controlling, preventing or suppressing any occurrence referred to in (a) above.

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia; or
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.

4. Wreckage removal extension

The cover provided under sub-section A of this section is extended to include reasonable costs incurred by the insured in respect of the removal of wreckage of the insured watercraft following damage to the watercraft by a defined event, provided that OUTsurance's liability shall not exceed the limit noted in the schedule.

5. Credit shortfall extension

If any total loss settlement under sub-section A is less than the amount owing to the finance company under a current instalment sale or lease agreement, OUTsurance will pay to the insured an additional amount equal to the shortfall less:

- a) any arrear instalments or rentals including interest payable on such arrears, any amounts added to the principle debt after the commencement of the finance agreement and any early settlement penalties;
- b) any refundable amounts added to the insured's finance agreement over and above the purchase price of the watercraft. This includes insurance premiums, warranties and maintenance programmes which must be refunded to the insured by the company that administers the policy or warranty;
- c) the credit shortfall on non-standard accessories which are not specified on the schedule;
- d) the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled; and/or
- e) the first amount payable under sub-section A.

Provided always that:

- a) the amounts payable shall not exceed the maximum indemnity less the first amount under sub-section A;
- b) this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment; and
- c) if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

Clauses and extensions

1. Salvage costs

The cover provided under sub-section A of this section is extended to include reasonable costs incurred by the insured in respect of reducing or preventing further damage to the watercraft or trying to find the watercraft if it is stranded, collides or sinks following a defined event.

2. Fire extinguishing charges extension

Any reasonable costs relating to the extinguishing or fighting of fire shall be payable in addition to any other payment for which OUTsurance may be liable in terms of this section provided the insured is legally liable for such costs and the insured property was in danger from the fire.