

SECTION 03 ACCIDENTAL DAMAGE

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Insured property

Any tangible property belonging to the insured or held in trust or on commission for which the insured is responsible for other than

- 1.1 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
- 1.2 furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art
- 1.3 property in transit by air, inland waterway or sea
- 1.4 railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers
- 1.5 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
- 1.6 electronic data-processing equipment and external data media (punch cards, tape disks and the like) and the information they contain
- 1.7 property in the course of construction, erection or dismantling including materials or supplies related thereto
- 1.8 property in the possession of customers under lease, rental, credit or suspensive sale agreements
- 1.9 glass, china, earthenware, marble and other fragile or brittle objects

unless stated in the schedule to be insured.

Defined events

Accidental physical loss of or damage to the insured property at or about the premises not otherwise insured or for which insurance is available and described (whether incorporated in this policy or not) in terms of any section (other than All Risks and Machinery Breakdown) listed in the index of this policy.

The amount payable for all loss or damage arising out of one original cause or source shall not exceed the sum stated

and

notwithstanding general condition 12 (Other insurance), this section shall not be called into contribution for any defined event for which more specific insurance has been arranged.

Specific exceptions

The company shall not be liable for

1 Altering or cleaning

loss of or damage to insured property caused by altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;

2 Breakdown, derangement or power surge

loss of or damage to insured property caused by breakdown, electrical, electronic and/or mechanical derangement or power surge;

3 Chemicals or liquids

3.1 loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container;

3.2 loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes;

4 Collapse

collapse of plant and machinery, buildings and structures (other than shelving or storage platforms);

5 Denting or chipping

loss of or damage to insured property caused by denting, chipping, scratching or cracking which does not affect the functionality of the insured property claimed for other than in respect of marble and granite tops, but limited to the amount stated in the schedule any one event;

6 Detention

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

7 Failure of supplies of water etc.

failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant;

8 Fault or defect

loss of or damage to insured property caused by 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;

9 Fraud

loss of or damage to insured property resulting from or caused by or in connection with any fraudulent scheme, trick, device or false pretence practised on the insured (or any person having custody of the insured property) or fraud or the dishonesty of any principal or agent of the insured;

10 Overheating

loss of or damage to insured property caused by overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus;

11 Pair or set

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;

12 Perils and circumstances otherwise excluded

any peril excluded or circumstance precluded from any other insurance available from the company at inception hereof or for any first amount payable by the insured under such insurance, or for any reduction of amount payable under any claim due to the application of average;

13 Settlement or bedding down

settlement or bedding down, landslip, ground heave or cracking of structures or the removal or weakening of support to any insured property;

14 Termites, insects or vermin

loss of or damage to insured property caused by termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light;

15 Unexplained disappearance

unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information.

Clauses, extensions and limitations

1 Additional costs clause

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

1.1 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

1.1.1 anything for which notice had been served on the insured prior to the insured event

- 1.1.2 anything connected with undamaged property or undamaged portions of property
 - 1.1.3 rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the insured property
 - 1.2 fees for the examination of municipal or other plans
 - 1.3 costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding
 - 1.4 the professional fees of architects, quantity surveyors and other consultants
- and the sum insured on all insured property includes
- 1.5 charges levied by any authorised fire brigade for their services
- but the company shall not be liable under 1.1, 1.2 or 1.4 unless the lost or damaged property is replaced or reinstated without undue delay nor under 1.4 for any expenses in connection with the preparation of the insured's claim.
- Further, the company shall not be liable under 1.3 for any costs or expenses
- 1.6 incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
 - 1.7 arising from pollution or contamination of property not insured by this policy/section.

2 Average clause (if stated in the schedule to be included)

If, on the occurrence of an insured event, the value of the insured property is greater than the sum insured thereon the insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

Each item, if more than one, shall be separately subject to this memorandum.

3 Excluded property (if stated in the schedule to be included)

The property listed in the schedule is added to the excluded property in the definition of insured property.

4 First loss average (if stated in the schedule to be included)

If, at the time of any loss or damage arising, the total value of the property described by each item does not exceed the sums stated in the schedule then this insurance shall be declared free of average, but if the total value of such property shall be greater than the aforementioned sums, the insured shall be considered as being their own insurer for the difference and the company shall be liable only for such proportion of the first loss sum insured as the aforementioned sums shall bear to the total value not exceeding in all the total sum insured by each item.

5 Mortgagees clause

- 5.1 This insurance, as to the interest of the mortgagees in the buildings, improvements, landlord's fixtures and rent insured only shall not be invalidated by,
 - 5.1.1 any act or neglect of the body corporate or any of the owners of units as defined in the Sectional Titles Act No. 95 of 1986 as amended or replaced; or
 - 5.1.2 any misrepresentation or non disclosure by the body corporate or any of the owners of sections at the time when the insurance is effected or renewed during the currency thereof, or
 - 5.1.3 the alienation of the property; or
 - 5.1.4 the occupation thereof for purposes which poses a risk in excess of that permitted by the policy

provided that,

 - 5.1.1 such act, neglect, misrepresentation, non disclosure, alienation or occupation shall have been effected without the knowledge or privity of the mortgagee; and
 - 5.1.2 the mortgagee shall notify the company of the happening or existence of such act, neglect, misrepresentation, non disclosure, alienation or occupation as soon as same shall come to his or her knowledge; and
 - 5.1.3 the mortgagee shall on reasonable demand pay any additional premium for any increase in risk thereby created from the time such increased risk may be or shall

have been assumed by the company during the continuance of this insurance;
and

5.1.4 any compensation payable in terms of this section shall be payable direct to the mortgagees of the particular unit in the order of preference of their bonds up to the value allocated to the particular unit in this policy or the aggregate of the amounts due by the unit owner to the mortgagees under their mortgage bonds whichever is the lesser.

5.2 No amount shall be payable in terms of this policy except in the event of actual physical damage to or destruction of the insured property, notwithstanding that the insured property may have been deemed to have been destroyed in terms of Section 48 of the Sectional Titles Act, No. 95 of 1986, as amended or replaced from time to time, and the provisions of that section shall not apply in regard to the application or interpretation of this policy.

6 Owners Clause

The insurance by this section shall not be invalidated by any act or omission by the owner of a Unit whereby the risk of loss, destruction or damage or liability is increased provided that the insured shall notify the company as soon as such act or omission comes to their knowledge and pay any additional premium for the time such increased hazard shall have been assumed by the company.

7 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.

8 Reinstatement (if stated in the schedule to be included)

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 on the same site property of the same kind or type but not superior to nor more extensive than such insured property when new, provided that

8.1 the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section shall be made

8.2 the company shall not be liable for any payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section, until expenditure has been incurred by the insured in replacing or reinstating the lost or damaged insured property

8.3 if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon on the occurrence of an insured event, the insured shall be considered his own insurer for the difference and shall bear a rateable share of loss accordingly. Each item, if more than one, to which this memorandum applies shall be separately subject to this provision

8.4 this memorandum shall not apply if

8.4.1 the insured fail to intimate to the company within six months of the insured event or such further time as the company may allow in writing their intention to replace or reinstate the lost or damaged insured property

8.4.2 the insured are unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

9 Tenants clause

The company's liability to the insured shall not be affected by any act or omission on the part of any tenant (other than the insured) without the insured's knowledge. The insured shall, however, inform the company as soon as any 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 risk was assumed by the company.