

## Definitions

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

### 1 Outstanding debit balances

outstanding debit balances means

the total declared in the statement last given under the provisions of clause 3 (Declarations clause) adjusted for

1.1 bad debts

1.2 amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customers' accounts in the period between the date to which said last statement relates and the date of the damage

and

1.3 any abnormal condition of trade which had or could have had a material effect on the business

so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the damage had the damage not occurred.

## Defined events

Loss or damage as a result of accident or misfortune (hereinafter termed damage) to the insured's books of account or other business books or records at the premises or at the residence of any director, partner or employee or the premises of any accountant of the insured, in consequence whereof the insured is unable to trace or establish the outstanding debit balances in whole or part due to it.

Provided that the liability of the company shall not exceed the sums insured stated in the schedule and that the basis of indemnity will be as set out in the specification which forms part of this section.

If, because of imminent danger of their destruction, such books of account or other business books or records are removed to a place of safety, the insurance hereunder shall apply if such goods are destroyed, damaged or lost as aforesaid during such removal or while so located or being returned to the premises, provided the insured shall notify the company in writing of such removal within 30 days thereafter.

The company will also pay all reasonable collection costs and expenses incurred by the insured in excess of normal collection costs and expenses made necessary because of such damage.

## Specification

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

### 1 the difference between

1.1 the outstanding debit balances

and

1.2 the total of the amounts received or traced in respect thereof

plus

### 2 the additional expenditure incurred in tracing and establishing customers' debit balances after the damage

provided that, if the sum insured under this item is less than the outstanding debit balances, the amount payable shall be proportionately reduced.

## Specific exceptions

The company will not pay for:

### 1 Wear and tear etc.

loss resulting from loss or damage to the books of account or other business books or records caused by wear and tear or gradual deterioration or moths or vermin

## **2 Electrical, electronic or magnetic injury**

loss resulting from loss or damage to the books of account or other business books or records caused by electrical or electronic or magnetic injury, disturbances or erasure unless the insured maintains the duplicate records referred to in the duplicate records clause of this section.

## **3 Fraud or dishonesty**

loss caused by fraud or dishonesty of any principal, director, partner or employee of the insured.

# **Clauses, extensions and limitations**

## **1 Accountants clause**

Any particulars or details contained in the insured's books of account or other business books or records which may be required by the company 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 Adjustment clause**

In consideration of the premium under this section being provisional in that it is calculated on 75 per cent of the sum insured, the premium will be adjusted as follows:

On the expiry of each (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date), the actual premium shall be calculated at the rate per cent per annum on the average amount insured, i.e. the total of the sums declared divided by the number of declarations. If the actual premium is greater than the provisional premium, the insured shall pay the difference. If it is less, the difference shall be repaid to the insured, but such repayment shall not exceed 33½ per cent of the provisional premium paid.

If the amount of a declaration exceeds the sum insured applicable at the date of such declaration, then for the purposes of this memorandum only, the insured shall be deemed to have declared such sum insured.

## **3 Declarations clause**

The insured shall, within 60 days of the end of each month or other agreed period, deposit with the company a signed statement showing the total amount outstanding in customers' accounts as set out in the insured's accounts as at the end of the said month.

## **4 Duplicate records clause (if stated in the schedule to be included)**

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.

## **5 Protections clause (if stated in the schedule to be included)**

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.

## **6 Riot and strike (excluding loss or damage occurring in the Republic of South Africa and Namibia) extension (if stated in the schedule to be included)**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- 6.1 civil commotion, labour disturbances, riot, strike or lockout;
- 6.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 6.1 above;

provided that this extension does not cover:

- 6.1 loss or damage occurring in the Republic of South Africa and Namibia;
- 6.2 consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- 6.3 loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;

- 6.4 loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- 6.5 loss or damage related to or caused by any occurrence referred to in general exception 10.1.2, 10.1.3, 10.1.4, 10.1.5, 10.1.6 or 10.1.7 of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the company alleges that, by reason of provisos 6.1, 6.2, 6.3, 6.4 or 6.5, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

## **7 Transit extension (if stated in the schedule to be included)**

The insurance under this section includes loss as defined to the insured's books of account or other business books or records whilst in transit to or from the premises or residence of any director, partner, employee or accountant of the insured.

