

Definitions

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

1 Accident

- 1.1 (Applicable to increased cost of working only) physical loss of or damage to the property insured described in the schedule from any cause as provided for under sub-section A of this section, liability under which sub-section shall, except for the provisions relating to the excess or the maintenance/lease agreements, be a condition precedent to liability hereunder.
- 1.2 Failure of the public supply of electricity at the terminal ends of the service feeders in the premises from any accidental cause other than
 - 1.2.1 the deliberate act of the insured or any supply authority
 - 1.2.2 drought or shortage of fuel at any electricity utility.provided that
 - 1.2.1 the liability of the company shall not exceed the sum insured by sub-section B.
 - 1.2.2 the indemnity period shall commence 12 hours after the failure and end not later than 30 days after such failure.

2 Indemnity period

indemnity period shall mean

the period during which the results of the business shall be affected in consequence of the accident beginning with the number of hours/days detailed in the schedule as the time excess after the occurrence of the accident 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.

3 Territorial limits

territorial limits shall mean

- 3.1 in respect of property other than that described in 3.2 below, the Republics of Namibia and Botswana, the Kingdoms of Eswatini and Lesotho and the Republics of Malawi, Mozambique, South Africa and Zimbabwe
- 3.2 in respect of laptops, notebooks, palmtop computers, smartphones and other portable computer equipment temporarily outside the territories referred to in 3.1 above, anywhere in the world

4 Unattended vehicle

unattended vehicle shall mean

any vehicle being used by the insured or any principal, partner, director or employee of the insured where such person is not in a position to keep the vehicle under constant observation and at the same time have a reasonable prospect of preventing any unauthorised interference with the vehicle

Defined events

1 Loss of or damage as provided for in sub-section A

2 Loss and/or expenditure as provided for in sub-section B

Sub-section A - Material damage

Physical loss of or damage to the property insured described in the schedule from any cause not hereinafter excluded whilst

- 1 situated at the insured's premises, whether working or at rest, or whilst being dismantled for the purpose of cleaning, inspection or overhaul or in the course of these operations or subsequent reassembly
- 2 in transit including loading and unloading or whilst temporarily stored at any premises en route
- 3 temporarily removed from the insured's premises to any other location within the territorial limits.

1 Sub-section A - Indemnity

The indemnity by this sub-section subject always to the sums insured contained in the schedule or any specific limit of liability contained in this sub-section, shall be as hereinafter provided and as appropriate including dismantling, re-erection, transportation, removal of damaged property insured and, where applicable, importation duties and value added tax.

1.1 Partial loss

If the property insured suffers damage that can be repaired, the basis of indemnification shall be the restoration expenses reasonably and necessarily incurred to restore the damaged property to working order provided that

- 1.1.1 the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section
- 1.1.2 if, without the consent of the company, temporary repairs are carried out by the insured in the interests of safety or to minimise further loss or damage to the property insured, the cost of such temporary repairs will be borne by the company. 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
- 1.1.3 where the damage is restricted to a part or parts of an insured item, the company shall not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the sum insured.

1.2 Total loss

In cases where the property insured is totally lost or destroyed, the basis of indemnification shall be the cost of replacing or reinstating on the same site new property of equal performance and/or capacity or, if such be impossible, its replacement by new property having the nearest equivalent performance and/or capacity to the property lost or damaged provided always that

- 1.2.1 the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured, subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment exceeding the market value of the property insured immediately before the damage shall be made
- 1.2.2 until expenditure has been incurred by the insured in replacing or reinstating the property insured, the company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein
- 1.2.3 these conditions shall be without force or effect if
 - 1.2.3.1 the insured fails to intimate to the company within six (6) months of the date upon which the damage occurred (or such further time as the company may in writing allow) his intention to replace or reinstate the property insured
 - 1.2.3.2 the insured is unable or unwilling to replace or reinstate the property insured on the same or another site

2 Sub-section A - Specific condition

Average

In respect of 1.1 (Partial loss) and 1.2 (Total loss) of Sub-section A - Indemnity above, if at the time of repair, replacement or reinstatement, the sum representing the cost which would have been incurred in repair, replacement or reinstatement if the whole of the property insured had been lost or damaged exceeds the sum insured thereon at the time of any loss of or damage to such property, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly. Each item of this sub-section (if more than one) to which these conditions apply shall be separately subject to this provision.

3 Sub-section A - Exceptions

The company will not be liable to indemnify the insured irrespective of the original cause in respect of

3.1 Cost of reproducing data

the cost of reproducing data and/or programs whether recorded on cards, tapes, disks or otherwise unless specifically provided for in sub-section B hereof

3.2 Derangement

derangement unless accompanied by physical damage otherwise covered by this sub-section

3.3 Excess

the excess as stated in the schedule in respect of sub-section A, of each and every event giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one event, the excess shall be the highest single amount applicable to such property insured

3.4 Faults or defects

faults or defects known to the insured (or their responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to the company or any consequences thereof

3.5 Loss of use

loss of use of the property insured or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein

3.6 Maintenance agreement

loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on behalf of the insured covering the insured equipment

3.7 Parts having a short life

parts having a short life such as (but not limited to) 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 physical loss or damage as provided for by this sub-section to other parts of the property insured, the company shall indemnify the insured for the residual value prior to the loss of such exchangeable parts

3.8 Power spike or surge

loss of or damage to the property insured described in the schedule due to a power spike and/or power surge and/or an under-voltage condition arising out of the energising of any standby power generating plant to which the insured property/machinery has been connected.

This exception shall not apply if the standby power generating plant has been fitted with appropriate voltage and frequency regulation equipment.

3.9 Theft

3.9.1 loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry into or exit (or any attempt thereat) from that part of the building occupied by the insured at the insured premises described in the schedule or as a result of theft or any attempt thereat, following violence or threat of violence other than in respect of laptops, notebooks, palmtop computers, smartphones and other portable computer equipment where forcible and violent entry to or exit from the building or that part of the building occupied by the insured will not apply. It is a condition that laptops, notebooks, palmtop computers, smartphones and other portable computer equipment will be individually specified in the schedule of this section.

3.9.2 loss of the property insured by 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 the company.

3.10 Unattended vehicle

loss or damage resulting from or caused by 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 such locked vehicle or building is accompanied by forcible and violent entry or exit.

If the insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence shall be deemed to satisfy the requirement for a completely closed and securely locked vehicle;

This exception will not apply to loss or damage which may occur as a result of an accident involving a road vehicle rendering any principal or employee or entrusted person incapable of retaining possession or control of the property on account of bodily injury sustained;

3.11 Wastage of material

wastage of material or the like or wearing out of any part of the property insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration, development of poor contacts or scratching of painted or polished surfaces of a cosmetic nature

Sub-section B: Consequential loss

1 Sub-section B – Indemnity

The indemnity provided by this sub-section subject always to the limits of indemnity contained in the schedule, shall be as hereinafter provided.

The liability of the company shall not exceed the amounts specified in the schedule in respect of any one accident or series of accidents arising out of or in connection with any one event.

1.1 Increased cost of working

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred by the insured during the indemnity period in consequence of the accident for the sole purpose of avoiding or diminishing the interruption of or interference with the normal business of the insured

less any sum saved during the indemnity period in respect of such of the charges and expenses of the business as may cease or be reduced in consequence of the accident.

The indemnity by this item shall not apply directly or indirectly to

- 1.1.1 the cover provided for in item 2 (Reinstatement of data/programs) of this sub-section
- 1.1.2 the intrinsic value (including reinstatement value) of the property insured by sub-section A of this section.

1.2 Reinstatement of data/programs

The insurance under this item is limited to costs and expenses necessarily and reasonably incurred by the insured for the reconstitution or recompilation of data and/or programs recorded on or stored in data-carrying media which are lost as a result of accidental erasure (which shall include the events defined in the indemnity clause to sub-section A of this section) or by theft or by the deliberate, wilful or wanton intention of causing the cancellation or corruption of data or programs as provided for in sub-section A of this section

provided that

- 1.2.1 the indemnity shall not extend to nor include such costs incurred due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programs
- 1.2.2 in respect of each and every event or series of events arising out of or in connection with one original cause or source indemnifiable by this item, the insured shall bear the amount stated in the schedule as the excess
- 1.2.3 where the insured elects to insure programs (software), a schedule of such programs shall be lodged with the company at the commencement of each (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date).

2 Sub-section B - Exceptions

Unless specifically provided for, the company shall not be liable to indemnify the insured in respect of

2.1 Fines and penalties

finances or penalties for breach of contract for late or non-completion of orders or any penalties of whatsoever nature

2.2 Loss of profit

loss of profit or consequential loss of whatsoever nature unless specifically provided for herein.

Special exception (applicable to sub-sections A (Material damage) and B (Consequential loss))

Viruses, trojans and worms

The company shall not indemnify the insured for loss or damage of whatsoever nature arising directly or indirectly out of or in connection with the action of any computer virus, trojan or worm(s) or other similar destructive media.

Clauses, extensions and limitations

1 Architects' and other professional fees extension to sub-section A (Material damage)

The company will in addition to the sums insured stated in the schedule pay for professional fees necessarily and reasonably incurred in the repair or reinstatement of property following indemnifiable loss or damage, provided that the amount payable in respect of such fees does not exceed 15% of the total amount of the claim, but shall not include expenses incurred in connection with the preparation of the insured's claim.

2 Capital additions and currency fluctuations extension

The indemnity by this section shall include

2.1 additional equipment or programs purchased by the insured of a similar nature to that specified in the schedule, provided that, in respect of loss or damage due to electrical, mechanical or electronic breakdown or explosion, the insurance shall only commence after satisfactory completion of installation or commissioning/testing and put into use at the insured's premises

2.2 provision for devaluation or revaluation of the currency of Namibia 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, by more than 25%, the total sum insured for sub-section A specified in the schedule, it being agreed that the insured will advise the company of such alterations after the expiry of each period of insurance and pay the appropriate premium thereon but not exceeding 50% of the difference.

3 Clearance costs extension to sub-section A (Material damage)

The company will in addition to the sums insured stated in the schedule pay for costs necessarily and reasonably incurred by the insured in respect of demolition or dismantling of property and/ or removal of debris and in providing, erecting and maintaining hoardings and other similar structures required during demolition, dismantling, debris removal and reconstruction following indemnifiable loss of or damage to such property, provided that the total amount recoverable does not exceed 15% of the total amount of the claim.

4 Express delivery and overtime extension to sub-section A (Material damage)

The company will in addition to the sums insured stated in the schedule pay for extra charges for express delivery, airfreight, overtime, Sunday and holiday rates of wages payable in respect of the necessary and reasonable additional costs incurred by the insured for effecting repairs or replacement approved by the company, limited to 50% of the amount which the repair or replacement would have cost had these additional costs not been incurred.

5 Fire brigade charges extension to sub-section A (Material damage)

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 having operated, such costs will be deemed to be damage to the property insured and will be payable in addition to any other payment for which the company may be liable in terms of this insurance.

6 Hire purchase / finance agreements clause

Where the company has knowledge of the property insured or any individual item thereof being the subject of a suspensive sale or similar agreement, payment hereunder shall be made to the owner

described therein whose receipt shall be a full and final discharge to the company in respect of loss or damage indemnifiable by this sub-section of the section.

7 Incompatibility cover extension to sub-sections A (Material damage) and B (Consequential loss) (if stated in the schedule to be included)

Notwithstanding anything to the contrary contained in this section, the indemnity by sub-sections A (Material damage) and B (Consequential loss) of this section shall indemnify the insured for costs incurred in respect of

- 7.1 modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system
- 7.2 replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system
- 7.3 the restoration of previously captured data which has become inaccessible due to the modifications to or alterations of the electronic system or in consequence of the replacement or upgrading of legal programs;

provided always that

- 7.1 the costs provided for in 7.1, 7.2 and 7.3 above shall be necessarily and reasonably incurred to maintain normal working conditions
- 7.2 such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-sections A (Material damage) or B (Consequential loss) (item 1.2 (Reinstatement of data/programs)) of this section
- 7.3 the cover afforded hereunder shall be restricted to
 - 7.3.1 parts or components of the electronic system which are not indemnifiable under sub-section A (Material damage) hereof
 - 7.3.2 programs or data reinstated not indemnifiable under item 1.2 (Reinstatement of data/programs) of sub-section B (Consequential loss) hereof;
- 7.4 the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to 20% of the applicable total sum insured under sub-section A (Material damage) and sub section B (Consequential loss) (item 1.2 (Reinstatement of data/programs)) with a maximum amount of N\$35 000.

8 Non-forcible and violent entry into vehicle extension to sub-section A (Material damage) (if stated in the schedule to be included)

Exception 3.10 (Unattended vehicle) shall not apply to goods contained in a completely closed and securely locked vehicle where the insured maintains that the vehicle was locked but no evidence of forcible and violent entry or exit from the vehicle exists, provided that:

- 8.1 the police case number is supplied to the company;
- 8.2 after the deduction of the excesses specified in the schedule, the liability of the company is further restricted to 75% of the claim with a maximum of N\$20 000.

9 Plans scrutiny fees extension to sub-section A (Material damage)

The indemnity by sub-section A (Material damage) shall include plans scrutiny fees as may be levied by the responsible public authority incurred directly in the repair replacement or reinstatement of the property insured all necessarily and reasonably incurred

10 Power surge or lightning strikes limitation to sub-section A (Material damage)

All loss or damage to the property insured by power surges or lightning strikes will be subject to an additional excess of 10% of the net amount payable for the items so damaged subject to a minimum of N\$1 000, but not exceeding N\$2 000 per occurrence. However, should the property insured be appropriately and adequately protected by suitable safeguards against electrical supply fluctuations, then this additional excess will be waived.

11 Prevention of access extension to sub-section B (Consequential loss)

If, during the indemnity period, the business at the premises is interrupted or interfered with in consequence of the insured being prevented from having access to the property insured situated at the premises caused by damage to property within a 15km radius of the insured premises as described in the schedule by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or

impact by vehicles, the company shall indemnify the insured for loss resulting from such interruption or interference in accordance with the provisions contained herein

provided that

- 11.1 the insured is not entitled to indemnity as provided for in this extension under any other policy or section of this policy
- 11.2 this section shall not be brought into contribution with any other policy or section of this policy bearing a like extension.

12 Reinstatement limitation to sub-section B (Consequential loss)

Notwithstanding anything to the contrary contained in sub-section B, it is hereby declared and agreed that, in the event of any interruption, following loss or damage, being aggravated by:

- 12.1 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
- 12.2 additions, alterations or improvements being effected to the property insured on the occasion of its repair,

the company's liability under this section shall be related solely to the business interruption which would have arisen in the absence of 12.1 and 12.2.

13 Telkom access lines extension to sub-section B (Consequential loss) (if stated in the schedule to be included)

Subject to the limits specified in the schedule, consequential loss as provided for under 1.1 (Increased cost of working) and 1.2 (Reinstatement of data/programs) of sub-section B arising from accidental failure of the Telkom access lines is included, provided always that the insurance under this extension shall be subject to the special conditions below.

Special conditions applicable to Telkom access lines

- 13.1 The liability of the company shall not exceed the sum insured by this sub-section.
- 13.2 The indemnity period shall commence 12 hours after the failure and end not later than the 30 days stated after such failure.
- 13.3 The insurance provided does not cover loss occasioned by the deliberate act of any Telkom authority or by the exercise of such Telkom authority of its power to withhold or restrict access to its lines.

14 Tenants extension

This insurance will not be invalidated by any act or neglect on the part of a tenant of the insured (where the insured owns the building) or another tenant or the owner of the building (where the insured is a tenant) provided that the insured notifies the company as soon as such act or neglect comes to their knowledge and pays on demand the appropriate additional premium.

