

SECTION 02 GROSS RENTALS**Definitions**

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

1 Annual gross rentals

annual gross rentals shall mean

the gross rentals during the twelve months immediately before the date of the damage adjusted in terms of clause 2 (Adjustment clause)

2 Gross rentals

gross rentals shall mean

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

3 Indemnity Period

indemnity period shall mean

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

4 Standard Gross Rentals

standard gross rentals shall mean

the gross rentals during that period in the twelve months immediately before the date of the damage which corresponds with the indemnity period adjusted in terms of clause 2 (Adjustment clause)

Defined events

Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under section 1 Buildings but only in respect of defined events insured under sub-section A – Property of section 1 hereof (hereinafter termed damage).

Liability shall be deemed to have been admitted if such payment is precluded solely because the insured is required to bear the first portion of the loss.

The company will indemnify the insured in accordance with the provisions as set out below.

Specific conditions**1 Business rescue proceedings**

The insurance under this section shall cease if the business is subject to business rescue proceedings as defined in the companies act or is permanently discontinued, except with the written agreement of the company.

2 Claims

On the happening of any damage in consequence of which a claim may be made under this section, the insured shall, in addition to complying with general conditions 3 (Claims) and 5 (Company's rights after an event), with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the indemnity period, or within such further time as the company may in writing allow, at their own expense deliver to the company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under this section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the company forthwith.

Specification

1 Item 1 Gross Rentals

The insurance under this item is limited to

1.1 loss of gross rentals and

1.2 increase in cost of working

and the amount payable as indemnity hereunder shall be

1.1 in respect of loss of gross rentals

the amount by which the gross rentals during the indemnity period shall in consequence of the damage fall short of the standard gross rentals

1.2 in respect of increase in cost of working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of gross rentals which, but for that expenditure, 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.

Extensions and Clauses

1 Accountants Clause

Any particulars or details contained in the insured's books of account or other business books or documents 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

Annual gross rentals and standard gross rentals as defined shall be adjusted as necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.

If the damage occurs before the completion of the first year's trading of the business at the premises, the value of annual gross rentals and standard gross rentals shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of damage.

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 gross rentals, during the indemnity period.

3 Prevention of Access

If property within a 15 km radius of the premises stated in the schedule is lost or damaged by a peril defined in Section 1 Buildings during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, the company will pay any loss of rent the insured may incur as a result thereof up to the sum insured as stated in the schedule on the affected property. The basis of calculation shall be the rent receivable (for an unfurnished unit) immediately preceding the damage.

Unless stated to the contrary in the schedule, any claim under this extension is restricted to 90% of the sum insured and is subject to the resulting amount not exceeding N\$300 000 000.