

SECTIONAL TITLE INSURANCE

INTRODUCTION

Thank you for choosing to insure with FPA.

You have chosen our Sectional Title All Risks policy. Cover is provided on an All Risks basis and is not limited to specified perils only. All the property of the Body Corporate is covered i.e. the Buildings, the Common Property and Common Property contents such as office equipment etc.

We wish to make your policy easy to read and understand and so we have, as far as possible, used plain English to explain the cover, provisions, conditions and exclusions of the policy. There are some basic matters that we will explain in the following paragraphs. The intention is to make sure that you understand who is insured, what is insured, how we describe the insured property as well as some basic conditions that regulate the operation of your policy. If you are in any doubt about any of the contents of this document, please contact the insurance broker who arranged this insurance on behalf of your Body Corporate.

MONEY BACK GUARANTEE

You have 21 days after cover commences to be sure you have the cover you require. If it is not the cover you require, you can cancel the policy. To do this, you must advise us or your broker in writing. You will receive a full refund of the premium paid, providing nothing has occurred for which a claim is payable under the policy.

UNDERSTANDING YOUR POLICY

Your insurance policy comprises general and specific Conditions, Exclusions, Extensions and Definitions. General conditions etc apply to the entire policy whereas specific conditions etc apply only to the particular policy section to which they are relevant.

The policy schedule is separated into individual sections that pertain to each class of cover. Each section provides detailed information as to the sums insured and limits of indemnity applicable to that section.

INDEMNITY

Our insurance is designed to provide financial compensation in the event of something happening which has been insured against. We call this indemnity. Our obligation is to place you in the same financial position you occupied had the damage not occurred. You may not profit from a claim.

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EXCLUDED RISKS

Under some circumstances the policy will not provide any insurance cover. For example, we do not pay for damage caused by

1. Acts of war and terrorism
2. Asbestos
3. Computer equipment failing to perform or function in the manner for which it was designed
4. Your dishonest or intentional conduct
5. Loss of Electronic Data
6. Known faults and defects
7. Lawful seizure
8. Anything occurring outside the Policy Territory
9. Pollution
10. Radioactivity
11. Erosion
12. Rust, corrosion, gradual deterioration or gradual damage, depreciation, wear and tear.
13. Hail to Skylights or glass awnings or glass structures exceeding the limit stated in the schedule
14. Faulty design, poor workmanship or defective materials
15. Tenants
16. A change in the water table

This lists some of the events that are not covered by this insurance. For full details of all policy exclusions you should read the policy wording and make yourself aware of all the exclusions that apply.

THE SECTIONAL TITLES ACT (as amended)

Your policy is compliant with the Sectional Titles Act. The Act stipulates *minimum cover* that the Trustees must procure on behalf of the Body Corporate. This policy provides cover far in excess of that stipulated by the Act.

THE BUILDINGS

Unless we have agreed otherwise, you declare that the buildings are constructed of brick, stone, concrete or metal on a metal framework, and roofed with slate, tiles, metal, concrete or asbestos. We call this *standard construction*.

Also included in our definition of buildings are

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- Walls gates posts and fences (but not hedges) brick tarred or paved roads, driveways, parking areas and paths.
- Plant and machinery forming part of the building and belonging to the Body Corporate. This includes lifts, gate motors, pool pumps and the like.
- Underground services such as water and sewage pipes, telecommunication and power cables that belong to you or for which you are legally responsible.
- All the glass installed in the building. However, structures built mainly of glass such as conservatories, skylights or glass awnings are excluded for hail damage unless you have made arrangements with us to insure these.
- Unit owner's fixed and permanent fixtures and fittings.

RETAINING WALLS

Our policy covers damage to retaining walls by storm, and flood. The cover is however subject to such walls having been built to act as a retaining wall according to the correct building specifications and there must be an architect or engineers drawing for the wall.

COMMON PROPERTY CONTENTS

We provide cover for moveable property such as garden, cleaning and other tools and equipment, gym equipment, furniture and office contents including computers and the like. We expect you to maintain an asset register of all movable property.

DAMAGE

In the policy we refer to damage. This means accidental physical sudden and unforeseen loss of or damage to the insured property. It cannot happen over a period of time and you should be able to identify the cause and the date on which the loss or damage occurred.

EXTERIOR FIXTURES AND FITTINGS

In the policy we refer to theft of Exterior Fixtures and Fittings. This means external pipes, externally mounted air-conditioners walls, gates and fences and other immovable property that is not contained inside the building(s).

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GEYSERS

The policy automatically covers geysers against bursting and overflowing as prescribed by the Sectional Titles Act.

Section 2 of the policy provides additional cover for geysers belonging to unit owners for replacement or repair following sudden and unforeseen failure of the geyser. Solar installations and Heat Pumps are not regarded as geysers although any tank that forms part of such installations will be regarded as a geyser as defined in the policy. Solar installations and Heat Pumps, other than the collection tank are considered part of the building.

Our Geyser cover is not a maintenance contract. There must be a sudden and unforeseen event that gives rise to a claim. You are expected to comply with the supplier's warranty regarding maintenance of the geyser and its components and we will not pay for repairs or replacements where you have not done so.

We urge you to arrange an annual inspection of geysers to ensure that they remain in good working order. Sacrificial anodes and other wearing parts should be replaced before they fail.

For your convenience we provide a 24-hour call centre service to assist unit owners with these geyser failures. The call centre is staffed by our own personnel. The call centre number is **0861 225 225**

BURST PIPES, LEAKING PIPES AND RESULTANT DAMAGE

We wish to ensure that you have a clear understanding of what constitutes a burst pipe, a leaking pipe and how these are treated in the event of a claim. Please take note of the following.

1. A burst pipe happens when there is a sudden and violent failure of the pipe.
2. A burst is not a leak or the result of a leak.
3. Pipes that are not under pressure do not generally burst.
4. A leak is the result of wear, tear, gradual deterioration, a flaw or latent defect in the pipe or faulty or inferior materials.
5. We do not pay for the repair or replacement of leaking pipes. We regard this as a maintenance related issue.

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6. When a pipe bursts as described above we will pay for the repair to the pipe and the immediate resultant damage.
7. If a leaking pipe is discovered and reported to us immediately we will pay for the resultant damage but not the actual repair to the pipe and the costs of making good the related damage (fixing the wall that was exposed to find the pipe).
8. If the damage caused by a leaking pipe is exacerbated by a delay in reporting the matter to us then we may only pay a portion of the cost or nothing at all.

If your property suffers ongoing bursting or leaking pipes we may exclude from cover any claims arising from these conditions, including the resultant damage. We will not pay to have your property re-piped.

THEFT

Theft of exterior fixtures and fittings is limited to R20 000. If you have CCTV, Intercoms, Electric Fences and Energizers or any other exterior fixtures and fittings that exceed R20 000 for which you require theft cover then you must apply to increase this limit. Theft of Common Property Contents designed to operate in the open is limited up to R10 000.

All other damage following theft or attempted theft of insured property is covered in full so long as the theft is the result of violent and forcible entry into or exit from the interior of a building.

WHAT WE MEAN BY VIOLENT AND FORCIBLE ENTRY INTO OR EXIT FROM THE BUILDING

For the purpose of this insurance a building comprises walls, the roof, doors and windows. So when we say we cover theft by violent and forcible entry into a building it means that the intruder(s) actually entered the building by breaking in.

Breaking or cutting of fences, external gates etc may require force BUT these are not regarding as the building itself. We provide a maximum of R20 000 cover for damage to exterior fixtures and fittings and included in this definition are external fences.

THEFT, ATTEMPTED THEFT OF AND FROM EXTERNALLY MOUNTED AIR-CONDITIONERS

When thieves steal the copper or components of the externally mounted portion of an air-conditioner this does not constitute violent and forcible entry into or exit from your building and the extension covering theft of exterior fixtures and fitting will apply to such claims. You are urged to protect these parts of air-conditioners by enclosing them with a suitable cage that is bolted to the wall.

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FIDELITY GUARANTEE AND COMPUTER CRIME

Section (7) of this policy insures You against theft of money as per the requirement of the Community Schemes Ombuds Services Act 2011. Our policy extends further to include

Computer Crime
Extortion
Fraudulent Transfer Instructions

UNOCCUPANCY

If the building or any unit has been unoccupied for more than 30 consecutive days then all cover for theft, attempted theft or malicious damage is suspended. If you require cover for theft or malicious damage during these periods of unoccupancy you have to apply to us in writing before the unoccupancy commences.

POWER SURGE

Your policy covers damage resulting from power surge – even if it is the result of a planned supply outage by Eskom. When an appliance or machine fails due to normal usage or failure of internal parts this is not considered power surge and no claim will be payable. If a component is damaged by power surge, we will only pay for that component or the cost of an equivalent part.

PAYMENT OF PREMIUM

Premium is always due and payable on or before inception of cover. This applies even if you pay the premium to your insurance broker. Claims submitted where premium has not been paid will be rejected. If you pay the premium by debit order and it is not provided for then you will have no cover from the payment date of your debit order. We will “double debit” you on the next payment date. If the premium is paid then cover will be reinstated. If the premium payment is not received, then the policy will be cancelled from the date of the first non-payment.

PAYMENT FOLLOWING LOSS OR DAMAGE TO THE INSURED PROPERTY

If you have a claim that is covered by the policy and not excluded, then we will *at our option* arrange to repair or replace the damaged property or pay you in cash a sum equivalent to the amount it would cost us to carry out the repair or replacement. If we pay you in cash, you are obliged to carry out the repair or replacement within a reasonable period of time. We will not increase the amount payable if the cost of repair or replacement has increased because you did not carry out the work timeously.

We are not obliged to pay for more than the cost of repairing or replacing that part of the property that has been damaged. We do not pay for matching tiles or floor coverings.

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WHO IS INSURED?

All of the following insured parties are, at some time or another, entitled to indemnity under the policy

- a) The Body Corporate
- b) The Unit Owners
- c) The Trustees
- d) Employees of the Body Corporate (but not any agent of the Body Corporate)
- e) Any institution having a financial interest in any unit

POLICY SECTIONS

The policy also extends to include the following additional cover

- GEYSER REPLACEMENT AND REPAIR
- PUBLIC LIABILITY
- EMPLOYERS LIABILITY
- TRUSTEES INDEMNITY
- LOSS OF MONEY
- FIDELITY GUARANTEE (CSOS ACT 2011) AND COMPUTER CRIME
- MACHINERY BREAKDOWN
- ELECTRONIC EQUIPMENT (for specified items only)
- PERSONAL ACCIDENT FOR VOLUNTARY WORKERS OR BODY CORPORATE EMPLOYEES

THE POLICY WORDING and SCHEDULE (the contract)

The policy wording is a document that sets out the standard cover, conditions, provisions and exclusions from cover. The policy schedule sets out the details of your risk including all the sums insured, cover limits and excesses. The policy schedule may contain amendments to the policy wording and if so these will override the policy wording. Familiarize yourself with all the excesses and conditions of cover contained in the policy schedule.

THE SCHEDULE OF SUMS INSURED (sometimes referred to as the Participation Quota)

This schedule replicates a portion of the Participation Quota and provides each unit owner with access to information regarding the sum insured for his or her unit together with the premium payable. The Participation Quota is a separate legal document and does not form part of this policy.

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YOUR SUM INSURED

The Body Corporate is responsible to the unit owners for ensuring that the property is insured for its full replacement value. The replacement value should include debris removal costs, professional fees and value added tax. This value must be for reinstatement of the building or a portion thereof at the time when reinstatement is completed and not the time of the loss. We provide at no additional cost an extra 20% inflation cover to provide for the increase in building costs between the date of loss and the date of reinstatement.

Unit owners must ensure that they add to the sum insured on their unit the value of any extensions, additions or improvements to the unit that could increase its insurable value.

BUILDINGS VALUATIONS

The Sectional Titles Act requires that you have the property valued at least every 3 years. We do not undertake valuations as part of our contract of insurance with you but we are able to refer you to suitably qualified persons and companies who can provide a professional valuation of your property.

AVERAGE

Every unit as well as the common property is subject to the condition of average. This means that if you insure your unit for less than its replacement value as detailed above you will be responsible for the amount of the underinsurance. For instance, if the replacement value of your unit is R1m and you insure it for R800 000 then you will be under insured by 20%. Any claim payment to you will be reduced by 20% being the extent of the under insurance.

DUTY OF DISCLOSURE

You are obliged to tell us all that you know about the property that could affect our decision to provide you with cover, how much premium to charge and whether to renew your policy. This includes physical aspects of your property, the financial condition of your Body Corporate and any claims or un-insured losses that you have suffered. Safeguard your interests by advising us of any changes to the building, Common Property Contents or occupancy of the building.

DUTY OF CARE

We expect you to act as if you are not insured.

Your policy does not replace the need to undertake regular normal preventative maintenance and repair to your property. Your policy is not a maintenance contract and it only provides indemnity (cover) for sudden and unexpected loss or damage to the property described in the schedule.

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Your policy does not cover damage caused by normal wear and tear, lack of maintenance and your failure to take reasonable precautions to prevent loss or damage.

NATIONAL BUILDING REGULATIONS AND LOCAL AUTHORITY REQUIREMENTS (part of your duty of care)

We expect you to comply with the laws that regulate the ownership or occupation of your building. This includes the installation and maintenance of fire equipment and the issue and renewal of electrical compliance certificates. All fire equipment must be installed in compliance with National Building Regulations and Local Authority requirements and the equipment must be serviced annually by a registered fire equipment specialist.

Electrical compliance certificates are issued to unit owners on change of ownership and also when any maintenance or repair is carried out. The Body Corporate also has the responsibility for the electrical installations serving the common property. The Body Corporate and Unit owners are urged to ensure that they comply with the regulations set out in SANS 10142-1. Electrical compliance certificates must be produced when required by us in the event of a claim.

Failure to comply with these laws may not just prejudice you in the event of a claim but may result in the prosecution of the responsible Trustee or unit owner.

The responsible Trustee(s) should ensure that they are fully acquainted with all legislation pertaining to the ownership or possession of property.

CLAIMS

You must tell us about any event that may give rise to a claim under this policy. We operate a claims reporting call centre on **0861 225 225** to facilitate the immediate reporting of claims.

When something happens that you think might be the subject of a claim

1. Phone the call centre. We will tell you if you have a claim or not. If we are unable to determine whether you have a valid claim, we will appoint an assessor or contractor to investigate and report back to us on the matter. Alternatively, we may request that you submit a claim form, photographs, quotes and invoices for repairs.
2. Don't incur any costs other than costs to prevent or minimize immediate further loss or damage. If you incorrectly incur costs on our behalf that are not covered, you will be held responsible to pay for these costs.

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3. Do not admit liability for any injury to any person or damage to third party property.
4. You may submit your claim in writing within 30 days of the date of the damage using our standard claim form but this does not replace your obligation to advise us immediately you become aware of an incident that could give rise to a claim under your policy.

Notwithstanding the provisions of Prescribed Management Rule 27 or authorisation given to the Managing Agent under Prescribed Management Rule 46 any claim for damage reported telephonically to our Claims Call Centre will be accepted by us as a valid claim subject to the terms conditions and exclusions of this policy.

THE POLICY

We agree to provide you with the insurance cover set out in the Sections selected by you. Should any of the events detailed in the policy sections that you have selected occur during the policy period then we will either repair, replace or reinstate the damage or pay you in cash subject always to the terms, exceptions, conditions, excesses and limits of liability.

The insurance applies for the period for which you have paid us the premium. You cannot make a claim under this policy if you owe us more than one months' premium or the annual premium has not been paid when the event you want to claim for happened. If your monthly premium is more than one month in arrears we can cancel your policy without notice.

ADEQUATE SUM INSURED

In the event of a claim, the Limits of Liability applying to each section of the policy should be sufficient to cover the loss.

DUTY OF DISCLOSURE

We rely on the information you provide to us when you apply for insurance and when you renew, change or reinstate your policy. You must tell us anything you know or should know that could affect our decision to insure you or the terms and conditions of cover.

You do not have to tell us anything

1. that diminishes the risk to be undertaken by us
2. that is of common knowledge

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3. that we know or ought to know

The duty of disclosure applies to you and everyone insured by the policy being the Body Corporate and the individual unit owners. If you do not comply with the duty of disclosure, then we may reduce our liability under the policy in respect of a claim or cancel the policy.

If the non-disclosure is fraudulent or for instance you have intentionally withheld information in order to obtain better terms, we may treat the policy as if it never existed and refund all your premiums. It is important that all information provided in support of your application for insurance is understood by you and is correct, as you will be bound by your answers and by the information you have provided. If you do not fully understand your obligations in this regard, please contact your Insurance Broker.

CHANGE OF RISK OR CIRCUMSTANCES

You should advise us immediately of any changes in the details disclosed to us prior to taking out this policy. This information includes changes such as the occupation of the property, renovations or improvements that increase the exposure to weather perils and other changes that may increase the likelihood of loss, damage or legal liability.

CANCELLATION OF YOUR POLICY

You can cancel this Policy by giving us notice in writing. If such notice is given, the cancellation will take effect on the day the notice is received by us or the cancellation date requested by you.

We can cancel this policy by giving thirty (30) days' notice to your insurance broker or at the address you supplied us.

INSURED AMOUNTS

You will not be insured for an event if the space allocated in the Schedule for the amount of insurance cover is

- a) Left blank or no monetary amount is given
- b) Reflected as "nil", "no", "not applicable"

OUR AGREEMENT

This policy sets out the terms, conditions, definitions, limits and exclusions that apply to this insurance. If we accept your application for insurance you will receive a Schedule that sets out details of the insurance you have taken out.

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Our agreement with you is made up of your application, this insurance policy, the Schedules and endorsements we send you. Endorsements are any notice we send to confirm a change of cover.

DEFINITIONS AND WORDS THAT HAVE A SPECIAL MEANING

In this policy there are words that have a special meaning. Some Sections include specific definitions so these general definitions should be read in conjunction with the specific definitions. Those words that have a special meaning that apply to all sections of the policy are set out and defined below. Section (7) of the Policy has additional special definitions that apply to that Section.

WORD TERM OR MEANING

Act

The Sectional Titles Act of 1986, read in conjunction with the Sectional Titles Schemes Management Act, 2011.

Aircraft

Any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.

Asbestos

Asbestos, asbestos fibers, any product derived from asbestos and any product containing asbestos, asbestos fibers or any product derived from asbestos.

Body Corporate Employee

A person over the age of 16 (Sixteen) and under the age of 75 (Seventy-five) undertaking work at the Situation under your direct control for remuneration, fee or reward.

Body Corporate Employee does **not** include

- a) a Trustee; or
- b) A Body Corporate Manager (managing agent) or a director or representative of such a manager.

Body Corporate Manager

A managing agent or anyone whom the Body Corporate has engaged to provide sectional title management services

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Body Corporate

The Body Corporate and Unit Owners and Trustees referred to in section 36 of the Act, for their respective rights and interests.

Building(s)

The building(s) contained in the registered Sectional Title Scheme specified in the schedule at the situation, constructed of brick, stone or concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos (unless otherwise declared by you and stated in the schedule), including unit owners fixtures and fittings therein and thereon, plant, equipment and other structures and improvements of a permanent nature, walls (except dam walls) gates, posts and fences (but not hedges), brick, tarred, concrete or paved roads, driveways, parking areas and paths, fire extinguishing equipment, all the property of the Body Corporate.

Buildings include

- a) outbuildings
- b) elevators, escalators and inclinators
- c) ducted air conditioners, intercom systems, built-in stoves, ovens, and hot water systems
- d) built-in cupboards and bathroom fixtures and fittings
- e) awnings and blinds that are external to the building
- f) satellite dishes and antennas used for receiving radio and/or television signals
- g) swimming pools, saunas, spa baths and Jacuzzis
- h) services, such as, electricity, telecommunications and water, owned by the Body Corporate or for which the Body Corporate is legally responsible
- i) Unit Owner's permanent fixtures;

Building(s) does not include

- a) temporary walls
- b) internal window coverings including curtains and blinds
- c) temporary ceilings
- d) temporary floor coverings
- e) unit owners or tenants' contents
- f) Marinas, docks, wharves and piers
- g) light fittings which are not built or wired into the electrical wiring;

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- h) air conditioners that are not permanently mounted, clothes dryers, washing machines, microwave ovens and any other appliances or devices that are not wired into the electrical wiring or permanently mounted;
- i) Fixtures removable by a tenant or owner at the end of occupation.
- j) Property belonging to a tenant or which a tenant is responsible for in terms of a lease
- k) The land on which the building has been constructed or the ground surrounding your property except as specifically covered under our additional benefit for Landscaped Gardens.

Burst pipe

A burst pipe happens when there is a sudden and violent failure of the pipe.

Common Property Contents

Moveable property owned by the Body Corporate at the situation

Common Property Contents does not include:

- a) Vehicles (except ride on mowers and golf carts used on the premises only), caravans, trailers, Watercraft, Aircraft, or any accessories in or on any of them
- b) Any appliance, equipment, furnishings, or furniture which is in open air and is not designed to be used or kept in open air;
- c) Animals
- d) The personal or business property of any Unit Owners.
- e) Computer Equipment not belonging to the Body Corporate

Damage or Damaged

This means sudden and unforeseen accidental, physical, loss destruction or damage to Insured Property. There must be an identifiable event that gives rise to the damage and the event must not be excluded from cover.

Electronic Data

Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and include programs, software and other coded instructions for such equipment.

Excess

This is the amount that you are required to contribute towards a claim.

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Exterior Fixtures and Fittings

In the policy we refer to theft of Exterior Fixtures and Fittings. This means external pipes, externally mounted air-conditioners, walls, gates and fences and other immovable property that is not contained inside the building(s).

Geyser

The geyser unit itself, including the thermostat, vacuum breaker(s), element, safety valve, sacrificial anode, pressure control valve, drain cock, expansion relief valve, drip trays and pans, wiring from the element to the isolator switch including the isolator switch and attached pipes and fittings within 1 meter of the geyser unit.

Heat Pumps and Solar installations including the panels and related piping are considered part of the building.

In Transit

Common property Contents in the personal custody of any person authorized by the Body Corporate while in transit to or from the situation. If you use a professional carrier, then their insurance must first apply to any claim for damage.

Indemnity

Means placing you in the same position you were in had the damage not occurred. Always subject to the terms, conditions and exceptions of this policy.

Insured Property

The total of all Buildings, Common Property and Common Property Contents at the Situation.

Landscaping

Trees, shrubs, plants, lawns and rockwork.

Landslip

The downward and / or sideways movement of sloping ground resulting from the action of self-weight stresses and imposed loadings exceeding the available strength of the ground.

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Law

Any law including common law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other measure of any government, local government, statutory or regulatory body or court having the force of law.

Leaking Pipe

A leaking pipe results mainly from wear, tear, gradual deterioration, a flaw or latent defect in the pipe or faulty or defective materials.

Limit of Liability

The limit of our liability for any one loss or series of losses arising out of one event that is applicable to a section of the policy.

Money

Current and valid coins, bank notes, cheques, crossed cheques, other negotiable instruments, currency notes, postal orders, money orders and unused postage and revenue stamps.

Pipe

A pipe is a cylinder or tube which forms part of the water or gas reticulation system in the insured Building. A pipe includes all immediate attachments such as connections, valves, junctions and stop cocks. For the purpose of this insurance taps, faucets, shower and bath traps, shower roses and irrigation systems do not constitute a pipe.

Policy

The contract of insurance between You and Us which comprises this policy, the schedule of insured values, information submitted by you when applying for this Insurance, the policy schedule and any document issued by us varying the Policy cover.

Policy Period

The period stated in the Schedule during which the insurance cover provided by us is in force.

Policy Territory

The Republic of South Africa

Pollutants

Any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

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Power Surge

For the purposes of this policy power surge is defined as fast, short duration electrical transients in voltage (voltage spikes), current (current spikes), or transferred energy (energy spikes) in an electrical circuit.

Premium

The premium specified in the policy schedule or in any endorsement to the policy.

Proposal

The information submitted by you or on your behalf (together with all accompanying or supplementary information) which we have relied on to enter into this policy.

Rent

An amount of money calculated on the basis of annual or monthly rent payable by a tenant to a unit owner that applied immediately before the happening of Damage to the Building.

Retaining Wall

A structure designed to restrain soil to an unnatural slope. A retaining wall must be specifically designed for the purpose intended. In the event of a claim you may be asked to provide us with the original plans and specifications by the architect or consulting engineer who designed the wall.

Schedule

The Schedule is the document that sets out the details of your insurance cover, sums insured limits and excesses. We issue a new schedule every time the cover is renewed or changed.

The Schedule of Insured Values

This is the schedule forming part of and attaching to the policy which describes the sum insured applicable to each unit and the common property whether included in the unit value or declared separately.

Section where used in relation to Buildings

A share apportioned on the sectional plan (participation quota)

Settlement

The downward movement of a site due to the application of super-imposed loading from a building or the failure of ground compaction or foundations upon which the building is constructed.

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Situation

The location stated in the Schedule where the Insured property is situated.

Sub Limit of Liability

The most we will pay for a particular benefit, item, loss or claim within a section of the policy.

Subsidence

Sudden and unforeseen downward movement of a site on which a building stands from a cause unconnected with the loading from a building.

Temporary Accommodation Costs

An amount of money that represents the rental value of the property or unit immediately prior to any loss or damage.

Tenanted Unit

A unit that is occupied by a rent-paying tenant at the time of damage to Insured property.

The Company

We / we / our / us

Trustee

A current trustee or former trustee, co-opted or appointed trustee of the Body Corporate whilst engaged in or serving on the committee or governing body of the Body Corporate holding office in terms of the rules of the Body Corporate. Trustee does not include a Body Corporate manager (managing agent) or other professional manager or a director or representative of such a manager.

Tsunami

A high sea wave caused by an earthquake, earth tremor or other seismological disturbance under the sea.

Unit

A Section shown on a sectional plan of the property as a lot or unit under any applicable act governing sectional title property or an area to which a shareholding is entitled to exclusive possession in terms of any applicable act or regulation governing company title property together with its undivided share in the common property apportioned to that Section.

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Unit Owner

An owner, member, or proprietor registered as owner of a unit in terms of any applicable act or regulation governing sectional title property or a shareholding entitling that person to exclusive possession of a Unit in terms of any applicable act or regulation governing sectional title property.

Unit Owners Contents

A unit owner's personal effects and furniture.

Unoccupied

This means that the building or unit in a building is empty, disused, unfurnished or no longer in active use by the insured or a tenant. A building or unit in a building will be deemed unoccupied if it has been vacated and there is no current occupant even if a lease has been signed by a new tenant to take occupancy at a future date. Contractors being on site or sleeping on the premises does not constitute occupancy.

Vehicle

Any type of machine on wheels or on caterpillar tracks made or intended to be self-propelled by mechanical power. Vehicle does not include ride on mowers and golf carts used at the situation.

Voluntary Worker

Any person over the age of 16 (sixteen) and under the age of seventy-five (75) undertaking work at the situation under your direct control, without fee or reward or any expectation of fee or reward. Voluntary worker does not include:

- a) a Trustee; or
- b) a Body Corporate Manager or a director or representative of such a manager.

Watercraft

Any vessel, craft or thing made or intended to float on or in or travel on, through or under water.

You, Your and Yours

The Body Corporate and all unit owners for their respective rights and interests

GENERAL EXCLUSIONS

We will not pay any claim for loss, damage, destruction, compensation, liability, cost or expense of any nature arising out of or in any way connected with the following, regardless of whether there is any other contributing cause or event:

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1. War and Terrorism (SAIA) Exclusion

1.1 civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the afore-going

1.2 war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war

1.3 (a) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause, which determines the proclamation or maintenance of martial law or state of siege (b) Insurrection, rebellion or revolution

1.4 any act (whether on behalf of any organization, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence

1.5 any act which is calculated or directed to bring 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 any State or Government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof

1.6 Any attempt to perform any act referred to in Exclusion 1.4 or 1.5 above

1.7 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in Exclusion 1.1, 1.2, 1.3, 1.4, 1.5 or 1.6 above. If we allege that, by reason of clauses 1.1, 1.2, 1.3, 1.4, 1.5, 1.6 and 1.7 of this exclusion, loss or damage is not covered by this Policy, You must prove the contrary.

1.8 caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976, or any similar Act operative in any of the territories to which this Policy applies.

1.9 notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general Exclusion, loss of or damage to property or bodily injury or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage, bodily injury or expense. For the purpose of this Exclusion 1.9, an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organization or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof. If we allege that, by reason of clause 1.9 of this exclusion, loss or damage is not covered by this policy, you must prove the contrary.

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2. Asbestos (applicable to Public Liability and Employers Liability sections)

Asbestos or asbestos products or any materials containing asbestos in whatever form or quantity.

3. Dishonest or Intentional Conduct

Any actual or alleged

- a) Dishonest, fraudulent, criminal, deliberate or malicious act except as covered by Section (7) of the policy.
- b) Willful or reckless breach of any statute, contract or duty.
- c) Conduct intended to cause loss, damage, destruction, liability, cost or expense or conduct engaged in with reckless disregard for the consequences committed by you or any person acting with your knowledge, consent or participation or any person entitled to any benefit under the policy, or in which you knowingly acquiesced.
- d) Failure to comply with the law.

4. Known Faults and Defects

Faults and defects in your property which are known to you, or which ought reasonably to have been known to you, and not disclosed to us at the time this policy was entered to. See also duty of disclosure.

5. Lawful Seizure

Lawful seizure, detention, confiscation, nationalization or requisition of any insured property.

6. Outside Territory

Outside the policy territory.

7. Pollution

The discharge, disposal, release, seepage, migration or escape of pollutants or the cost of preventing the escape of Pollutants. This general exclusion 9 will not apply under Section 4 – Public Liability to the extent that the liability arises from a sudden, identifiable, unintended and unexpected event from your standpoint which takes place in its entirety at a specific place and time during the policy period.

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8. Radioactivity

Ionising radiation or contamination by radioactivity from any nuclear fuel, weapon, waste or other material whether occurring naturally or otherwise; the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or the storage, transport, assembly, disassembly, maintenance or operation of any nuclear weapon or nuclear component thereof or any other nuclear material.

9. Damage by Tenants

Damage by tenants discovered after the tenant(s) has vacated the property.

10. Sanctions limitation and Exclusion Clause

CENTRIQ shall not provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose CENTRIQ to any sanction, prohibition or restriction under United Nations resolutions or the Political, trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

SPECIAL EXTENSION IN RESPECT OF SASRIA / NASRIA APPLICABLE TO ALL SECTIONS

We operate an insurance scheme sanctioned by SASRIA whereby all policies are automatically extended to cover war, riot and terrorism. We issue an insurance certificate in compliance with the scheme as sanctioned by SASRIA and the appropriate premium is remitted to SASRIA accordingly. The premium you pay includes SASRIA.

SPECIAL EXTENSION IN RESPECT OF CLAIMS PREPARATION COSTS APPLICABLE TO ALL SECTIONS

We will pay the reasonable costs and expenses, not exceeding R250 000, you incur for the preparation of a claim. We will only pay these costs and expenses when we agree to do so and before they are incurred.

We will pay in addition to the above stated R250 000 the amount stated in any section of this policy for additional claims preparation costs.

We will not pay for fees charged by Public Adjustors who you have contracted to act on your behalf in respect of any claim under this policy.

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GENERAL CONDITIONS AND WARRANTIES APPLICABLE TO ALL SECTIONS

1. Alteration to Risk

You must advise us of any material alteration to the risk immediately such change in risk comes to the notice of you or your trustee responsible for insurance. Alterations of which you must notify us include

- a) Alteration to the building.
- b) Removal or weakening of the support to the building by you or any other person.
- c) Your interest in any insured property ceasing.
- d) Any change in the occupation of the building or any unit in the building and anything that increases the risk of loss destruction or damage to the building.
- e) If you are placed into bankruptcy, receivership, administration, business rescue or liquidation.

If we accept the altered risk, we might ask you to pay an additional premium. If you do not pay the additional premium, we can cancel the policy or change the cover in order to exclude the increased risk.

2. Applicable Law

The policy is subject to the law of the Republic of South Africa.

3. Assignment

You and or the unit owner must not assign this policy or any of your rights under this policy without telling us.

4. Cancellation

You can cancel this Policy by giving us notice telephonically or in writing. If such notice is given, the cancellation will take effect on the day the notice is received by us or the cancellation date requested by you.

We can cancel this policy by giving thirty (30) days' notice to you at your last known address.

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5. Policy Amendments

No changes in this policy will be valid unless agreed to by us. A change to the policy will only be valid if we have issued a schedule noting the change in cover.

6. Fire Protection Warranty

It is a condition precedent to liability that

- a) All fire-fighting equipment and fire protections at your building are installed, maintained and serviced in accordance with the National Building Regulations or Building Standards Act 1977 or any other law as may be contained in the respective Emergency Services bye-laws. The local fire brigade can assist you or you can contact a registered fire equipment company to give you guidance.
- b) You comply with the Law including all obligations and regulations imposed by any authority including the National Building regulations or Building Standards Act 1977 or any other law as may be contained in the respective Emergency Services bye-laws.

7. Inspection and Audit

We have the right to carry out a survey of the property on reasonable notice to you or your authorised agent.

8. Interests of Other Parties – Mortgagee Clause for Banks and Financial Institutions

If the interest of a financial institution has been included in the policy, we will pay that financial institution to the extent of their financial interest in the property insured namely the amount due to them or the sum insured shown in the schedule of insured values whichever is lesser.

Mortgagee clause

This insurance, as to the interest of the mortgagee(s) in the buildings, improvements, landlord's fixtures and rent insured only shall not be invalidated by,

- a) any act or neglect of the Body Corporate or any of the owners of units as defined in the Sectional Titles Act as amended or replaced from time to time, or

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- b) by any misrepresentation or non-disclosure by the Body Corporate or any of the owners of the units at the time when the insurance is effected or renewed during the currency thereof, or
- c) by the alienation of the property, or
- d) by the occupation thereof for purposes more hazardous than are permitted by the Policy, provided that,
 - i. such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been effected without the knowledge or privy of the mortgagee(s) and
 - ii. the mortgagee(s) shall notify The Company of the happening or existence of such act, neglect, misrepresentation, nondisclosure, alienation or occupation as soon as same shall come to his or her knowledge,
 - iii. the mortgagee(s) shall, on reasonable demand, pay the additional charge for any increase of hazard thereby created according to the established scale of rates, for the time such increased hazard may be, or shall have been, assumed by The Company during the continuance of the insurance and
 - iv. any compensation payable in terms of this section shall be payable direct to the mortgagee(s) 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.

All and any amounts becoming payable by The Company under this Policy as a result of damage to or destruction of the buildings, improvements or landlords' fixtures shall, unless otherwise resolved or ordered in terms of Section 48 of the Act to be wholly applied to the reinstatement of such damage. If it is resolved or ordered in terms of Section 48 of the Act that such damage should not be reinstated, the proceeds of any claim applicable to the unit shall be made in the first place to the mortgagee(s) of the particular unit in the policy or the aggregate of the amounts due by the unit owner to the mortgagee(s) under their mortgage bonds, whichever is the lesser. The Condition of Average Clause incorporated within the policy applies to the individual units (excluding the owner's interest in the land) and not to the Body Corporate as a whole.

9. Other Insurances

You must tell us if there is any other insurance policy covering the building or common property contents.

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10. Possession of Damaged Property

If a claim happens we can, without incurring any liability, enter, take or keep possession of any Insured property where the loss, damage or destruction has happened. You are not entitled to abandon any insured property.

11. Reasonable Care

It is a condition of the contract between us that you will

- i) Maintain the property in sound condition and carry out regular inspections and maintenance of roofs, windows, gutters, pipes, electrical installations and the like. Normal maintenance and repair is your responsibility.
- ii) Take all reasonable precautions to prevent or minimize loss, damage, destruction, liability, compensation, cost or expense covered by the policy.

12. Subrogation

If we make a payment under this Policy, we can act on your rights or obligations against other people to recover costs or to defend any claim they may have against you. You must provide us with all necessary assistance in this regard.

13. Your Authorized Representative

You agree that the person representing you when applying for this policy is authorized to give and receive information on your behalf.

CLAIMS CONDITIONS APPLICABLE TO ALL SECTIONS

When something happens which you think you can claim for phone us first on **0861 225 225**. This is our claims centre which, for your convenience, is available 24 hours a day 7 days a week. Alternatively, you may obtain a claim form from our website or your broker and submit your written claim.

Notwithstanding the provisions of Prescribed Management Rule 27 of the Act or authorisation given to the Managing Agent under Prescribed Management Rule 46 of the Act any claim for damage reported telephonically to our Claims Call Centre will be accepted by Us as a valid claim subject always to the terms conditions and exclusions of this policy.

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- If there is damage to your Building our staff will take immediate steps to assist with any emergency, appoint a contractor or plumber and arrange for a claims assessor to assist you with the claim if necessary.
- If a third party claims that you have damaged his property do not admit liability and don't agree to do anything. Tell us and we will investigate and deal with the person.

Please follow these instructions

- a) Immediately tell us about any event that you think could result in a claim.
- b) Submit your claim in writing no later than 30 days after you became aware of the event.
- c) Do not carry out repairs on your own unless we give you written permission to do so except in terms of the Building and Common Property Contents Section extensions which provide for temporary repairs or measures to prevent additional damage.
- d) Where possible take photographs of any Damage.
- e) Immediately inform us about any writ or summons issued against the Body Corporate or a Trustee.
- f) Immediately inform the police of any fire, impact damage, malicious damage, fraud, theft or any attempted theft of insured property or other suspected criminal conduct and obtain a police case number.
- g) Try to recover stolen property.
- h) Try to prevent and minimize further damage.
- i) Keep damaged insured property until we say you can dispose of it.
- j) Complete a claim form if we ask you to.
- k) Do not admit liability for anything or try to settle with a third party.

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- l) Assist us in the defense of any claim brought against you.

If we reject a claim the burden of proving otherwise rests with you.

If we reject your claim you have 90 days in which to serve legal proceedings on us. Alternatively, you may refer the matter to the Ombudsman for Short Term Insurance within a further 180 days after expiry of the 90 days.

Any request for a payment to be made to someone other than the Body Corporate must be authorised in writing by a Trustee or the Managing Agent.

SECTION 1 – BUILDING AND COMMON PROPERTY CONTENTS

WHAT WE WILL PAY FOR

We will pay for damage to Your Buildings and Common Property Contents, as set out in the schedule. They are only insured if you own them or are legally liable for them.

We will at our option

- a) rebuild, replace, restore or repair the damage
- b) pay you in cash
- c) settle your claim in a combination of (a) and (b) above

The most we will pay in respect of any one claim is the sum insured as stated in the schedule. Your sum insured must be sufficient to include all of the above costs.

WHAT WE WILL NOT PAY FOR

We will not pay for

1. Consequential loss of any kind except if it is specifically covered
2. Legal liability of any kind.
3. Damage to any

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- a) Animals.
 - b) Building or other insured property which is vacated and undergoing or intended for demolition.
 - c) Building or other insured property which is in the course of construction, erection, alteration or addition.
 - d) Marinas, docks, wharves and piers.
 - e) Money.
 - f) Moveable property in the open air unless it is part of the common property contents designed to function in the open.
 - g) Swimming pools, spas, Jacuzzis or their surrounds caused by movement of their foundations or structure.
 - h) Skylights, glass awnings or glass structures by hail.
 - i) Retaining Walls by storm wind, water, hail, snow or flood.
4. Damage arising directly or indirectly out of or in any way connected with:
- a) Change in texture or finish.
 - b) Creeping, heaving or vibration.
 - c) Cracking or collapse of buildings unless caused by an event not excluded from cover.
 - d) Demolition ordered by any lawful authority due to you or your agents' failure to obtain necessary building, construction or development consents or permits.
 - e) Erosion, subsidence, landslip or any other earth movement or collapse unless the damage arises out of an earthquake or seismological disturbance, explosion or physical impact by Aircraft.

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- f) Error, omission or failure in design, plan or specification.
- g) Faulty materials or defective or faulty workmanship.
- h) Hydrostatic pressure or changes in the water table.
- i) Incorrect siting of any insured building.
- j) Inherent vice or latent defect.
- k) Kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat;
- l) Theft unless accompanied by violent and forcible entry into or exit from the interior of an insured building or portion thereof. Damage to perimeter walls, gates and fences does not constitute violent and forcible entry into or exit from the interior of a building.
- m) Denting, chipping or scratching not affecting the operation of the insured property.
- n) Lack of maintenance or any other failure to keep any insured property in good repair.
- o) Its own mechanical, hydraulic, electrical or electronic breakdown or derangement
- p) Power surge.
- q) Mildew, mould, contamination, disease, wet or dry rot, change of colour, oxidation, evaporation, dampness of atmosphere or variations in temperature.
- r) Normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements.
- s) Removal or weakening of support of foundations by you or any other person for the purpose of construction, alterations, additions, renovations or repair;

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- t) Storm, wind, water, hail, snow, theft, attempted theft or malicious damage to an insured building undergoing renovation, repair or alteration if the building is not fully roofed or the window and door openings are not closed. This includes repairs to a building following insured damage.
 - u) Roots of trees, shrubs or other plants.
 - v) Spontaneous combustion, fermentation or heating or any process involving the direct application of heat but that this exclusion will only apply to the item or items immediately affected.
 - w) Smoke, dirt, dust or smut from industrial operations or construction sites.
 - x) The actions of or soiling by animals, birds, vermin, moths, insects, termites or other pests or domestic pets.
 - y) Leaking of baths and showers, bath and shower traps, failure of grouting and waterproofing.
 - z) Blocked drains, waste or sewerage pipes, but not the resultant Sudden and Unforeseen damage to the Buildings and Common Property Contents.
 - aa) Tenting or lifting of tiles unless caused by an event not excluded from cover.
 - bb) Wear and tear, gradual deterioration, corrosion, rust or oxidation, fading, chipping, scratching or marring or developing flaws, concrete or brick 'cancer'.
 - cc) Normal upkeep or making good actual physical loss of, or damage to insured property by a cause provided for in terms of this policy on the basis that the property has been deemed to be destroyed in terms of Section 48 of the Sectional Titles Act and the provisions of that section shall not apply regarding application and / or interpretation of this Policy.
5. Theft, attempted theft or malicious damage to the Building if it has been unoccupied for more than 30 consecutive days unless you obtain Our written agreement to continue this cover before the un-occupancy commences. During the first 30 days of un-occupancy you will be liable for 20% of any claim or such other amount as may be stated in the Schedule.

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Where the building comprises 2 or more sections or units as described in the participation quota then each section or unit shall be regarded as a separate building for the purpose of this exclusion.

6. The cost of removing or the disposal of any Damaged or undamaged portion of the insured property that is constructed of or contains asbestos or asbestos related products.

GENERAL EXTENSIONS TO SECTION 1 - BUILDINGS AND COMMON PROPERTY CONTENTS

1. Automatic reinstatement of your sum insured following a loss

We will automatically reinstate the sum insured on any insured property following a claim for loss or damage. You will be charged a pro rata premium.

2. Subsidence & Landslip

Notwithstanding anything to the contrary in Specific Exclusion 4(e), we will pay for damage to your building and common property contents caused by sudden and unforeseen subsidence or landslip that occurs during the period of insurance. This extension does not cover:

1. Damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences, swimming pools or surrounds, tennis courts unless you have asked us to do so.
2. Damage caused by or attributable to
 - a) Faulty design or construction of, or the removal or weakening of support to any building at the situation.
 - b) Workmen engaged in making any structural alterations, additions or repairs to any building at the situation.
 - c) Excavation on or under land other than excavations in the course of mining operations.
 - d) Any gradual movement of the site upon which your property has been constructed.

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- e) Insufficient compaction or fill at the site upon which the building has been erected.
 - f) Pre-existing conditions or where You or a unit owner have been aware of or suspected that the insured property is or has been subject to subsidence or landslip.
3. Underpinning foundations or any work required to prevent further damage.
 4. Consequential loss of any kind whatsoever except as provided for in the additional benefits.
 5. loss or damage occurring in any of the following geographical areas
 - a) Klerksdorp, Virginia, Welkom, Carletonville, Orkney, Randfontein and all other general mining areas
 - b) Centurion including Irene or any other dolomite area.

For the purpose of this extension the excess as specified in the schedule of Excesses shall apply to each unit individually and not to the entire sum insured on the Buildings and Common property contents. If the Common Property is separately identified on the Schedule of Insured Values, then any claim for damage to Common Property will be separately subject to this excess.

If we reject your claim in terms of the policy conditions or exclusions the burden of proving the contrary shall rest with you.

3. Tsunami

We will pay for damage to your building and common property contents caused by Tsunami.

4. Building on another Site

If your building is destroyed, or is in such a condition to make it uneconomical to repair, replace or rebuild your building, we will allow you to re-build your building on another site. We will only pay the lesser of

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- a) The reasonable cost of rebuilding on another site to a condition which is substantially the same but not better or more extensive than the building when new.
- b) The Limit of Liability applicable to Section 1.

5. Floor Space Ratio

If, following loss or damage, the size of your building is reduced by any Government law or Local Authority bye-law we will

- a) Pay the cost of re-building or repairing the damaged portions of your building for the reduced size.
- b) Pay in cash the difference between
 - The actual cost of rebuilding or repairing the damaged portions of your building for the reduced size of your building and
 - The estimated cost of rebuilding repairing the damaged portions had the size of your buildings not been reduced.

We will not pay more than the sum insured. We will reduce the amount we pay you by any amount of compensation you may receive.

EXTENSIONS WE WILL PAY FOR THAT ARE INCLUDED IN THE SUM INSURED

We will pay the following costs. These costs will be paid when they result from damage to your buildings and your common property contents. These costs are included in the sum insured.

1. Demolition

We will pay the reasonable cost of demolishing and removing any building debris when loss or damage occurs. We will not pay more than 15% of the claim.

2. Professional Fees

We will pay the reasonable cost of architects, engineers, surveyors and legal fees when loss or damage occurs. We will not pay more than 15% of the claim.

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3. Cost of submitting plans and obtaining building approvals

We will pay for you to make submissions to the following when accidental loss or damage occurs

- Local authorities and local government authorities.
- Licensing authorities.

We will also pay for the cost of attending any hearing. This includes the cost of

- Instructing attorneys liaising with architects, engineers, surveyors or builders.
- Attending your meetings.

4. Fire Extinguishing Costs

We will pay the costs and expenses necessarily incurred for the purpose of extinguishing a fire at your building including the cost of re-filling fire extinguishers.

5. Public Authority Requirements

Where your building is destroyed or damaged, we will pay the additional cost incurred by you in complying with the requirements of any lawful authority that are imposed after the damage (including demolition or dismantling) but not more than the sum insured stated in the schedule. This benefit is subject to the following conditions

- a. The work of reinstatement must be started and completed within a reasonable period, failing which We will not make any payment in respect of the extra cost of reinstatement.
- b. The work of reinstatement may be carried out wholly or partially at another site, if the requirements of any lawful authority makes that necessary.
- c. Where the building is not destroyed, We will only pay for the extra costs incurred in reinstating the damaged portion of the Building.
- d. We will not pay for the cost of reinstating illegal installations.

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FURTHER EXTENSIONS WE WILL PAY FOR IN ADDITION TO THE SUM INSURED TO WHICH LIMITS APPLY

We will pay the following costs up to and not exceeding the amount stated in the schedule for these benefits.

1. Additional Claims Preparation Costs

We will pay in addition to the amount stated in Special Extension Claims Preparation Costs a such further amount as stated in the schedule for additional claims preparation costs.

2. Inflation of Building Sum Insured Following a Loss

If you have a loss, we will increase your sum insured by up to the amount stated in the schedule from the date of the loss until reinstatement of the damage has been completed.

3. Mortgage Discharge Fees

We will pay up to the amount stated in the schedule for legal costs to discharge your mortgage if your claim is a total loss

4. Loss of Rent and Alternative Accommodation

We will pay an amount

- Equal to the rent that the owner of the unit receives if the unit is rented
- Equal to the normal rental value of the unit if the unit is occupied by the owner

We will pay for this when and in the period in which

- Your buildings or sections of your buildings are unable to be lived in as a result of damage
- Other property located near your building is damaged and access to your building is prevented

We will not pay for any financial loss incurred where the units are rented by any business for the purposes of a Hotel or rental Pool arrangement. Loss of Rent is only payable if incurred by the registered owner of the Unit.

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For all claims made for this additional benefit we will only pay in the aggregate up to 25% of the sum insured. Every unit will be regarded as a separate building for the purpose of this additional benefit.

5. Failure of Services

We will pay an amount

- Equal to the rent that the owner of the unit receives if the unit is rented
- Equal to the normal rental value of the unit if the unit is occupied by the owner

We will only pay this when your building or sections of your building are unable to be lived in following

- The failure of services. This includes the supply of electricity water gas or sewerage service. It does not include telephone or telecommunications or television service. We will only pay when accidental loss or damage occurs to property belonging to the service provider. We will only pay after the service has failed continuously for 24 hours. The most we will pay for is 30 days.
- A murder suicide and or infectious or contagious disease. We will only pay when a government or local authority prohibits your buildings from being occupied following these events. Our payment will start when the government or local authority declares that your building cannot be occupied. The most we will pay for is 30 days.

6. Damage to Gardens and Landscaping

We will pay up to the amount stated in the schedule to remove and replace trees, plants or shrubs and lawns if they are stolen, burnt or maliciously damaged or damaged by any vehicle.

7. Theft of Common Property Contents in the Open

Notwithstanding exclusion 4(l) we will pay up to the amount stated in the Schedule for Damage to common property contents

- a) In the open air. We will only pay when your Common Property Contents are in an area surrounded by gates, walls and fences.

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- b) When the common property contents are removed for service or repair.

8. Reinstatement of Documents

We will pay up to the amount stated in the schedule

- a) To restore your documents. This includes the information on your documents.
- b) To replace your documents as blank stationery.

We will only pay when the accidental loss or damage occurs to your documents when they are in your buildings or the buildings of the managing agent or in a bank safe.

9. Reward for Information

We will pay a reward up to the amount stated in the schedule for information leading to the arrest and conviction of any person found guilty of arson, theft or malicious damage to your building.

10. Replacement of Keys and Locks

If a key to an external door lock of your buildings (excluding individual units) is lost or stolen we will pay the reasonable and necessary costs up to the amount stated in the schedule for replacing the external lock, key or cylinder with a similar item.

11. Emergency Costs to Minimize or Prevent Damage

We will pay emergency costs up to the amount stated in the schedule necessarily and reasonably incurred by you in order to prevent or minimize imminent damage to your building or common property contents.

12. Temporary Protection Costs and Costs of Security Guards

We will pay costs necessarily and reasonably incurred by you in order to provide temporary protection, safety of insured property and security of occupants pending the repair, replacement or rebuilding of damaged insured property. We will not pay more than the amount stated in the schedule.

13. Fallen Trees

We will pay the costs necessarily and reasonably incurred by you up to the amount stated in the schedule for removing and disposing of fallen trees and branches (excluding stumps and roots) that have caused damage to insured property. We will not pay for the removal of tree stumps or

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anything below the ground. The cost of removing a tree which is about to fall or cause damage does constitute a claim under this extension.

14. Theft of Exterior Fixtures and Fittings

Notwithstanding exclusion 4(l) of this section of the policy, we will pay up to the amount stated in the schedule for Theft (or any attempt thereat) of exterior fixtures and fittings by forcible means.

15. Water Loss

We will pay up to the amount stated in the schedule for the cost of water lost through leakage from pipes in any unit or on the common property where the unit owner is responsible to pay the charge for such water lost subject to

- a) We will only pay up to an amount equal to the average of the previous four quarterly readings plus 50% of the average but not more than the amounts stated in the schedule in respect of any one claim.
- b) It is a condition precedent to liability under this extension that on discovery of a leak, (by physical evidence of a leakage or on receipt of an abnormally high water account) you will take immediate action to repair or shut off the pipe(s) affected.
- c) We will not pay for the cost of remedial action including repairs to the pipe affected under this additional benefit.
- d) We will not pay for loss of water resulting from
 - i. Leaking or bursting of taps, geysers or any other water heating apparatus, toilet systems, swimming Pools and Storage Tanks.
 - ii. Leaking inlet or outlet pipe of a swimming pool.
 - iii. The deliberate acts by you, or your tenant.
 - iv. Loss of water if the affected unit is unoccupied for more than thirty (30) consecutive days.

We will not pay for the cost of re-filling Swimming Pools or other Pools or Ponds or Water Tanks whether following a leakage or otherwise.

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16. Power Surge

Notwithstanding exclusion 4(p) of this section of the policy we will pay up to the amount stated in the schedule for damage to the buildings and common property contents caused by Power Surge. Damage to appliances will be limited to the replacement of the damaged part. If we cannot replace the part, we will pay you the equivalent amount in cash. We will not pay for the replacement of or repair to any un-damaged portion of the property.

17. Additions and Alterations

Notwithstanding exclusion 3(c) of this section of the Policy we will pay for loss or damage to property being constructed or installed at the Situation provided that the contract value does not exceed R500 000.

18. Retaining Walls

Notwithstanding exclusion 3(i) of this section of the policy we will pay up to the limit stated in the schedule for damage to Retaining Walls by storm, wind, water, hail, snow or flood providing that the wall has been designed and constructed as a Retaining Wall. In the event of a claim you may be asked to provide us with the engineer's plans, specifications or drawings for the wall.

19. Hail Damage to Skylights, Glass Awnings or Glass Structures

Notwithstanding exclusion 3(h) of this section of the policy we will pay up to the amount stated in the schedule for damage to Skylights, glass awnings or glass structures by hail.

SPECIFIC CONDITIONS

Average

If the building and common property contents are, at the commencement of any accidental loss or damage, collectively of greater value than the sum insured thereon, then you will be liable for the difference and will bear a ratable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition. This condition shall apply to the individual units and not to the scheme as a whole.

Replacement by Similar Styles and Materials

Where a building has architectural features and structural materials of a particular ornamental, antique or historical character, and the materials are not readily available, we will be permitted to calculate the cost of repairing, replacing or rebuilding your building by reference to the cost

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of repairing, replacing or rebuilding a similar type of building of current design and materials and of a reasonably equivalent utility and capacity.

Matching of Floor and Wall Coverings

We will pay for the replacement of damaged flooring or wall coverings in the room or passage that the damage actually occurred. We will try to match any materials used to repair your building to the original materials. If we cannot, we will use the nearest equivalent materials available to match the original materials. We will not pay any costs for replacing un-damaged property. If the proposed repair or replacement is not acceptable to you, we will pay in cash the equivalent cost.

SECTION 2 - GEYSER REPLACEMENT AND REPAIR

WHAT WE WILL PAY FOR

If your geyser suddenly fails or stops working, we will repair or replace it with a geyser of the same or similar type and capacity or pay you in cash the equivalent amount.

WHAT WE WILL NOT PAY FOR

We will not pay for

- a) More than the amounts stated in the schedule.
- b) Loss or damage arising from faulty or defective design.
- c) Any costs incurred by you for normal maintenance and repair.
- d) Consequential loss of any kind whatsoever.
- e) Any item forming part of the geyser and attachments covered by a guarantee.
- f) Any part or component of a Solar Installation or Heat Pump.
- g) Any additional costs incurred by you in accessing a geyser for the purpose of replacement or repair.
- h) Any cost in making a geyser compliant with SABS or SANS requirements.

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SECTION 3 – MONEY

WHAT WE WILL PAY FOR

We will pay for loss of or damage to your money up to the amounts stated in the Schedule while in the personal custody of

- a) A trustee.
- b) An authorized employee of the body corporate.

collectively termed the authorised persons, acting on your behalf.

WHAT WE WILL NOT PAY FOR

We will not pay for for loss of or damage to money

- a) If stolen by any authorised person and not discovered and reported to us with 14 days of the theft.
- b) If the loss arises from clerical or accounting errors.
- c) If keys are used unless they are stolen or taken from an authorised person using violent means.

ADDITIONAL BENEFITS OVER LIMIT OF LIABILITY

1. Receptacles and Clothing

In addition to any payment in respect of the loss of or damage to money, we will pay for receptacles and clothing lost or damaged as a result of theft or attempted theft of money. We will not pay more than the amount stated in the schedule.

2. Locks and Keys

In addition to any payment in respect of loss of money, we will pay for the cost of replacing locks and keys to any safe at the situation following upon the disappearance of any key to the safe or if you have reason to believe that an unauthorised person may be in possession of a duplicate key. We will not pay more than the amount stated in the schedule.

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3. Skeleton Keys

We will pay for loss of money by use of a skeleton key or other similar device (excluding a duplicate key) provided that you can establish that a skeleton key or device was used.

4. Personal Accident (Assault) Extension

If an authorised person should suffer bodily injury caused by violent accidental external and visible means associated with the theft of your money while acting in the course of his duties, we will pay to you on behalf of the affected person or his estate the benefits stated below which within 12 (twelve) calendar months' results in:

1. Death R 10 000
2. Permanent Disability being
 - (a) Loss by physical separation at or above the wrist or ankle of one or more limbs R10 000.
 - (b) Permanent and total loss of sight of one or both eyes R10 000.

In respect of this extension only, General Exclusion 1 is deleted and replaced by the following

- a) This extension does not cover death or bodily injury directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

SECTION 4 – PUBLIC LIABILITY

WHAT WE WILL PAY FOR

We will pay the amounts you are liable to pay for personal injury or damage to property arising from an occurrence and resulting from any of the circumstances below.

We will also pay any legal costs you have to pay in relation to the occurrence. This includes costs awarded against you.

The claim must be first made against you during the period of insurance.

SECTIONAL TITLE INSURANCE

The most we will pay, including costs is the amount shown in your schedule. Where the occurrence takes place over more than one period of insurance we will only pay the amount shown in your schedule once in respect of each occurrence.

The cover applies to occurrences in connection with your business anywhere in the Republic of South Africa.

- a) If you have insured your buildings, we will pay the amount you have to pay as the owner or occupier of your buildings.
- b) If you have insured common property contents we will pay the amount you have to pay as owner of the common property contents.
- c) If you have insured common property, we will pay the amount you have to pay as occupier of the common property.
- d) If you have a car park, we will pay the amount you have to pay for loss or damage to property while in the car park.

The above cover applies to occurrences in connection with your business anywhere in the Republic of South Africa.

Occurrence

In this section means

- a) A single incident that is not intended or expected.
- b) A series of incidents or continuous repeated exposure to substantially the same general conditions which have the same cause and are attributable to the same source.

Cross Liabilities

Where "You" are comprised of more than one entity, the term "You" will be considered a separate legal entity and applies to each party as if a separate policy had been issued to each party but nothing contained in this clause will operate to increase our liability under this section

SECTIONAL TITLE INSURANCE

WHAT WE NOT WILL PAY FOR

We will not pay for claims arising from

- a) Any claim made before inception of this Policy.
- b) Your car park being operated by someone else as a commercial car park.
- c) Penalties and fines or awards of aggravated, exemplary or punitive damages made against you.
- d) Your use of motor vehicles motorcycles mini-bikes, aircraft or watercraft other than golf carts, ride-on mowers or motorized maintenance equipment.
- e) You servicing, repairing or maintaining any vehicle.
- f) Personal injury to any person employed by you if that injury arises from their employment with you.
- g) Damage to or loss of property that belongs to any person employed by you if that damage or loss arises from their employment with you.
- h) Any alterations, servicing repairing or additions to lifts, escalators or hoists that you do. This includes anything that is part of a lift, escalator lift or hoist. This does not apply to any alterations servicing, repairing, or additions to lifts escalators or hoists carried out by a person or company you employ or contract and that person or company is qualified to make any alterations, servicing, repairing or additions to lifts escalators or hoists.
- i) Vibration or interference with the support of any land, your buildings or other property.
- j) Any business trade or profession trade or occupation carried on by you. This does not include the hiring out of your sporting or recreational facilities or the managing of your buildings and its surrounds.
- k) Any alterations repairs, renovations or additions to your building that cost more than R500 000.
- l) The erection or demolition of your building.

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- m) Any agreement or contract you enter into. If you would have been liable without the agreement or contract, we will pay for your liability.
- n) Any act of libel or slander.
- o) The discharge release or escape of pollutants. This exclusion shall not apply to the discharge dispersal release or escape of pollutants is caused by a single incident, is instantaneous, is clearly identifiable or is confined to one specific location.
- p) The removal neutralizing or cleaning up of pollutants.
- q) The use, removal of or exposure to any asbestos product or products containing asbestos.
- r) Any goods designed, manufactured, installed, treated, assembled, altered, processed, sold or supplied by You or by anyone on Your behalf whether for reward or not.

SECTION 5 - EMPLOYERS LIABILITY

WHAT WE WILL PAY FOR

We will pay the amounts you become legally liable to pay as compensation for personal injury to any person employed by you under a contract of service or apprenticeship provided that the personal injury occurs in connection with his employment with you. The claim must be first made against you during the currency of this Policy.

SPECIFIC DEFINITIONS

Compensation

Means any amount paid or payable by you for personal Injury as a result of any

- a) court judgment
- b) settlement with our consent

together with any defence costs.

Compensation does not include:

- a) Aggravated, punitive or exemplary damages.

SECTIONAL TITLE INSURANCE

- b) Fines or penalties imposed by law (including civil penalties).
- c) Any matters which are deemed uninsurable under the law.

Defence Costs

Mean legal costs and disbursements and related expenses incurred by:

- a) You with our written consent
- b) Us after we have assumed conduct of any proceedings in:
 - i. defending any proceedings;
 - ii. conducting any claim for contribution or recovery; or
 - iii. Investigating, avoiding or reducing or settling any claim for compensation.

Defence Costs does not include any of Your internal or overhead expenses or the cost of Your time.

Employment Practices

Means any wrongful or unfair dismissal, denial of natural justice, defamation, unfair discipline or evaluation of employment performance, breach of employment contract, misleading representation or advertising, sexual harassment or discrimination in respect of employment or prospective employment by you.

Occurrence

Means an event which results in personal Injury, neither expected nor intended from your standpoint. All events of a series consequent on or attributable to one source or original cause are deemed one occurrence.

Personal Injury

Means bodily injury, death, or illness;

WHAT WE WILL NOT PAY FOR

We will not pay for

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- a) A claim first made against you prior to the inception of this policy.
- b) Liability arising out of personal injury caused or contributed to by prolonged exposure to substances, factors or circumstances peculiar to any particular employment or occupation.
- c) For any obligation for which you and any company as its insurer may be held liable under any workmen's compensation enactment/compensation of occupational injuries and diseases, unemployment compensation or disability benefits law.
- d) A claim arising out of any circumstances compulsorily insurable by legislation notwithstanding that no insurance in terms of such legislation is in force or has been effected.
- e) Injury to any employee arising while offshore.

ADDITIONAL BENEFIT

Legal Expenses for Breach of Statute or Employment Practices

Subject to our prior agreement we will pay legal costs and disbursements for which any trustee or employee of the body corporate may become liable to pay or incurs in defence or appeal in connection with proceedings that are first commenced against a trustee or employee during the policy period and reported to us during the policy period

- a) Related to any alleged breach of any occupational health and safety legislation.
- b) Arising out of a dispute with an employee, former employee or prospective employee of the body corporate concerning employment practices.

We will not pay any legal costs and disbursements incurred or payable in connection with any proceeding

- a) Where the Body Corporate has not obtained our prior written consent to the incurring of those legal costs and disbursements.

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- b) Where the body corporate was aware or ought reasonably to have been aware of facts, matters or circumstances potentially giving rise to a claim prior to the policy period.
- c) Where the Body Corporate has not complied or is not in the process of complying with the Construction Regulations (2014) of the Occupational Health and Safety Act (no 85 of 1993).
- d) In which relief is sought by way of penalty, fine or aggravated, exemplary or punitive damages.
- e) In which defamation, libel or slander is alleged (other than in relation to employment practices).
- f) In which fraud or dishonesty is alleged.
- g) In which a conflict of interest is alleged.
- h) In which a failure to obtain insurance or appropriate insurance is alleged.
- i) Claiming compensation or an award of damages.
- j) Relating to any matter where insurance cover is available under another section of this policy, notwithstanding that such cover was not taken out.

SECTION 6 – TRUSTEES LIABILITY

WHAT WE WILL PAY FOR

We will indemnify up to the amounts stated in the schedule

- a) Trustees against all loss for which they are not indemnified by the Body Corporate.
- b) The body corporate against all loss for which it grants Indemnity to a Trustee, as permitted or required by law

arising from any claim for loss up to the limit of liability provided that

- a) The claim is first made against you during the policy period.

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- b) The Claim arises out of a wrongful act, which wholly occurred after the inception of this policy.

Where you have continued, without interruption, to hold sectional title Insurance with us for the insured property, cover will extend to a claim which arises out of a wrongful act which occurred after the date from when you first took out the Sectional Title Insurance with us.

SPECIFIC DEFINITIONS

Claim

- a) Any written demand for compensation.
- b) Any originating process for recovery of compensation.

issued against a trustee by a third party alleging a wrongful act.

Circumstances

Any facts, matters or circumstances which give or have the potential to give rise to a claim.

Defence Costs

The legal costs and expenses which a trustee or the body corporate incurs with our prior written consent in the investigation, defence or settlement of any claim.

Defence costs do not include any personal overhead, expense, costs of time, salary or remuneration of a trustee agent or employee of the body corporate

Loss

Means money payable in terms of a judgment or settlement with our prior written consent;

- a) Legal costs awarded against a trustee.
- b) Defence costs.

Loss does not include fines, penalties, punitive, exemplary, liquidated or aggravated damages.

SECTIONAL TITLE INSURANCE

Senior Counsel

Means a practicing advocate who is entitled to practice as a senior counsel in the territorial limits stated in the schedule.

Wrongful Act

Any actual or alleged act, error or omission, negligence, breach of duty, misrepresentation or misconduct of a trustee whilst acting in that capacity.

Limit of Liability

The amount stated in the schedule for legal and defence costs

Excess

The trustee or the body corporate must pay the amount stated in the schedule as the excess payable.

WHAT WE WILL NOT PAY FOR

We will not provide indemnity for

- a) Any claim first made prior to the policy period.
- b) Any claim or circumstances notified, in whole or part, to us or any other insurer prior to the policy period.
- c) Any claim or circumstances of which the body corporate or any trustee was aware or ought reasonably to have been aware, prior to the policy period.
- d) Any profit or advantage gained by a trustee where that trustee was not legally entitled or for which the trustee may be held accountable to the body corporate, unit owner or any other person or entity.
- e) Money or gratuity given to a trustee without authorisation by the body corporate where such authorisation is necessary pursuant to the rules, by-laws or articles of the body corporate or as required by law.
- f) Any warranty or guarantee.
- g) Any trading or personal debt of a trustee or the body corporate.

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- h) Death, bodily injury, sickness or disease of any person, or damage to, or loss or of loss of use of, any tangible property.
- i) Breach of any obligation owed to any employee or a trustee or the body corporate.
- j) Libel or slander.
- k) Any duty, tax, levy or other impost.
- l) Any conflict of duty or interest.
- m) Any liability assumed in contract except where that liability would otherwise exist at law in the absence of the contract.
- n) The effecting or maintenance of insurance, or any failure to effect or maintain insurance.
- o) Any intentional exercise of a power where the exercise of the power is for a purpose other than the purpose for which the power was conferred.
- p) Any alleged or actual dishonest, fraudulent, malicious or criminal act or omission.
- q) any claim brought or maintained by
 - i. Any person who is insured or entitled to any benefit or indemnity under this policy.
 - ii. An entity operated or controlled by any person who is insured or entitled to any benefit or indemnity under this policy.
- r) Any Claim brought in a court of law or tribunal outside Territorial Limits stated in the Schedule.

SPECIFIC CONDITIONS

In addition to the general conditions applying to all Sections of the Policy

SECTIONAL TITLE INSURANCE

- a) A trustee must give Us notice of any claim made against the Trustee within twenty-one (21) days of receipt of the claim.
- b) The trustee and the body corporate must give Us all reasonable assistance and co-operate with us in the defence of any claim at the trustee's and the body corporates' cost.
- c) The trustees or the body corporate should not admit liability, settle any claim, assume any obligation nor incur any defence costs without our prior written consent.
- d) We have the right to negotiate, defend or settle any claim against the trustee in the trustee's name and will have full discretion in the conduct of any proceedings or in the settlement of any claim.
- e) If we are liable to provide indemnity for only part of a Loss because either:
 - i. A claim includes matters both covered and not covered.
 - ii. A claim is made against a trustee and other persons (including but not limited to the body corporate).

Then We and the trustee must use their best endeavors to agree a fair allocation of loss (including in relation to defence costs) between loss covered and loss not covered having regard to the trustee's relative legal exposure to liability in respect of matters covered and not covered and the trustee's and the other person's relative legal exposure to liability in respect of the claim. Where we and the trustee and are unable to agree upon a fair allocation of loss, we will be entitled to brief senior counsel (to be mutually agreed or, in default of agreement, to be selected by the then president of the local Bar Association or Council, or equivalent organisation in the relevant territory) to provide an opinion binding on us and the trustee as to the fair allocation of loss. The costs of obtaining this opinion will be paid by us as part of the defence costs.

SECTION 7 – FIDELITY GUARANTEE AND COMPUTER FRAUD

WHAT WE WILL PAY FOR

INSURED EVENTS

1. CSOS ACT 2011 FIDELITY GUARANTEE – Theft of Money and Property by Insurable Persons

Loss of money or Property belonging to the Scheme resulting directly from any dishonest or fraudulent act of an Insurable Person, wherever committed and whether committed alone or in collusion with others, with intent to cause the Scheme to sustain such Loss, or to obtain any improper personal financial gain for that Insurable Person or for any other person intended by that Insurable Person to receive such gain provided always that the receipt of any entitlement to any salary, fee, commission, bonus, promotion or any other emolument or benefit does not constitute such improper financial gain except when such salary, commission or bonus results directly from a specific dishonest act on the part of that employee.

2. Computer Fraud

Loss sustained directly as a result of:

- a) Computer Fraud (including Phishing)
- b) Electronic Data Loss
- c) Computer Virus

3. Extortion

Loss sustained due to Extortion

4. Contractual Penalties

Loss sustained on account of liability for Contractual Penalties

5. Fraudulent Transfer Instructions

Loss due to Fraudulent Transfer Instructions

SECTIONAL TITLE INSURANCE

B. DEFINITIONS (in addition to the definitions described in the General Definitions)

1. Insurable Person

Means an Insurable Person as defined in the Community Schemes Ombuds Act 2011 comprising

- a) a Scheme executive,
- b) employee or agent of a Community Scheme who has control over the money of the Community Scheme,
- c) Managing Agent or contractor or other person acting on behalf of or under the direction of the Managing Agent

all of whom in the normal course of the Schemes' affairs have access to or control over the monies of the Scheme.

2. Computer Fraud

Means Theft or fraudulent conversion effected by the accessing of a computer system (including by the means of Phishing) with the intent to defraud by the use, disclosure, processing, deletion, insertion, amendment, interception or manipulation of the information, data, software or systems of the Scheme or of any institution holding controlling or otherwise dealing with money or Property of the Scheme or for which the Scheme is responsible which is initiated, implemented or completed electronically.

3. Computer Virus

Means:

- (a) a set of unauthorised instructions, programmatic or otherwise that propagate themselves including any Trojan horse, time or logic bomb, or worm, or any other destructive or disruptive code, media or program, or interference through the Schemes' or Managing Agents' computer systems and/or networks via the means inherent in the operation of such systems, which instructions are maliciously introduced by a person which cause the Scheme or the Managing Agent to transfer or pay or deliver any funds or property establish any credit debit any account or give any value as a direct result of the destruction or attempt thereof of the Schemes' or Managing Agent's electronic data while such data is stored within the Schemes' or Managing Agents' computer system or a service provider's computer system.

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(b) Computer virus as defined above which causes the destruction of the Schemes' or Managing Agents' electronic data or attempt thereat introduced by any person other than an employee while such data is located as in 3. (a).

4. Contractual Penalties

Means any penalty legally enforced against the Scheme under written contract resulting directly from a Loss covered by this Policy provided that any amount paid by Us in respect of such penalties shall be construed as part of any related claim for Loss sustained under Insured Events 1. and 2. and shall not exceed the amount stated in the Schedule

5. Discovery / Discovered

Means the Scheme becoming aware of any actual or potential Loss of money or Property for which indemnity is or may be provided under this Policy, or of any fact or circumstance which would cause a reasonable person to assume that any Loss as insured by this Policy has or may have occurred, and regardless of

(a) the time or place of any act, transaction or other event which has or may have caused or contributed to such claim or Loss

(b) whether the Schemes' knowledge of such claim or Loss is or could be sufficient at such time of first awareness to establish whether and to what extent such indemnity may be so provided.

6. Electronic Data Loss

Means Loss due to

(a) Malicious alteration or destruction of electronic data or attempt thereat by any person while such data is lawfully within the Schemes' or Managing Agents' computer system or while recorded upon electronic data processing media within the offices of the Scheme or the Managing Agent or in the custody of a person designated by the Scheme or Managing Agent to act as its messenger or carrier custodian while such electronic data processing media is in transit provided that the Scheme or Managing agent is the true owner of such programs or is legally liable for such Loss.

(b) Electronic data processing media being lost damaged or destroyed as a direct result of robbery, burglary, theft or malicious act while located as in (a) above.

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(c) Malicious alteration or destruction of electronic computer programs while lawfully stored within the Schemes' or Managing Agents' computer system provided that the Scheme or Managing agent is the true owner of such programs or is legally liable for such alteration or destruction.

7. Extortion

Means the taking from the Scheme money or Property by intentionally and unlawfully subjecting an Insurable Person or a relative or guest of any such Insurable Person to any threat of physical harm or the threat to damage property which induces such person to submit to the taking provided that the person threatened has made every reasonable attempt to report the threat to an associate and to the law enforcement authorities at the earliest reasonable opportunity, provided further that this shall not entitle the Scheme to indemnity in respect of any Loss for which the Scheme is or would be insured in terms of any more specific insurance.

8. First Amount Payable (only applicable if stated in the schedule)

Means the amount of the excess or first amount payable as stated in the Schedule and will apply to the total of all Losses arising from the same event.

9. Fraudulent transfer instructions

Means fraudulent:

(a) electronic, telegraphic, cable, teletype or telephone instructions to a financial institution to debit a transfer account and to transfer, pay or deliver funds from such account, which instructions purport to have been transmitted by the Scheme or the Managing Agent or by a person duly authorised by the Scheme or Managing agent to issue such instruction but which have been fraudulently transmitted by another or

(b) written instructions to a financial institution to debit a transfer account and to transfer, pay or deliver funds from such account through an electronic funds transfer system at specified times or under specified conditions, which written instructions purport to have been duly issued by the Scheme or the Managing Agent but which have been fraudulently issued, forged or altered by another.

10. Limit of indemnity

Means the monetary amount specified in the Schedule.

11. Loss(es)

Means direct financial loss to the Scheme.

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12. Period of insurance

Means the period specified in the Schedule.

13. Phishing

Means the dishonest, fraudulent, malicious or criminal attempt to obtain sensitive account access information using electronic means by deceiving the scheme as to the origin of a communication.

14. Property

Means real or personal Property, used by the Scheme in the conduct of its business, in which the Scheme has an interest, or which is held (whether or not gratuitously or with legal responsibility) by the Scheme for any purpose or in any capacity.

15. Scheme

For the purpose of this insurance means a Body Corporate, Shareblock or Homeowners Association as defined in the Sectional Title Schemes Management Act (no 8 of 2011), the Companies Act (no 71 of 2008) the Share Blocks Control Act (no 59 of 1980) or the Housing Development Schemes for Retired Persons Act (no 65 of 1988) all as amended or substituted from time to time or any similar applicable legislation.

16. Terrorism

Means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group of persons, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate or coerce or harm a government, the civilian population or any segment thereof, to disrupt any segment of the economy. Terrorism shall also include any act which is verified or recognised by the Republic of South Africa Government as an act of terrorism.

17. Theft

Means:

- (a) the dishonest appropriation of Property with the intention of permanently depriving the owner of it; or

- (b) the taking of Property without lawful authority.

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WHAT WE WILL NOT PAY FOR

We will not pay for Loss or costs

1. which is either not discovered during the Period of Insurance, or occurs prior to the Retroactive date specified in the Schedule.
2. resulting directly or indirectly from any dishonest or fraudulent act of an Insurable Person, other than losses covered under Insured Event covered by this Policy.
3. resulting from any dishonest or fraudulent act of any Insurable Person committed after the discovery, in relation to that person, of any fraudulent or dishonest act.
4. resulting from any actual or apparent shortage (regardless of the amount thereof) in any physical cash balance, imprest or inventory of the Scheme or Managing Agent and caused by any error of the employee committed in good faith.
5. which is indirect or consequential loss of any nature.
6. resulting from Loss or Damage which arises directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, hostilities, warlike operations (whether war has been declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportion of or amounting to a popular uprising, military, or usurped power, martial law, riot, or the act of any lawfully constituted authority. In relation to any claim under this insurance for such loss or damage (or any legal proceedings to enforce such a claim), the burden of proving that such a loss or damage does not fall within this Exclusion shall be upon the Scheme.
7. resulting from loss of or damage to Property (other than that caused by Theft) which arises directly or indirectly by reason of or connection with Terrorism.
8. in terms of Insured Event 1. for any loss for which indemnity is provided in terms of a Money Policy held by the Scheme except in respect of any amount in excess of the indemnity provided by such policy.
9. based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any pension, profit sharing or employee benefit or welfare programme

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or any share option, share incentive scheme or trust established in whole or in part for the benefit of any Executives, Directors, Officers or Employees of the Scheme.

CLAIMS CONDITIONS (in addition to the general Claims Condition)

1. As a condition precedent to Our liability to make any payment under this Policy, the Scheme shall, as soon as reasonably practicable but upon Discovery, give Us written notice of every occurrence or loss, or claim made or threatened against the Scheme, which gives or may give rise to a claim by the Scheme under this Policy, such notice to include full particulars thereof and every letter, demand, writ, summons, or other notice or process received by the Scheme.
2. For the purpose of this section of the Policy, We will consider any one loss and/or series of losses to arise out of the same event if any of the persons, transactions, conditions or circumstances concerned therein are either common or directly or indirectly related.
3. As a condition precedent to Our liability to make any payment under this Policy, You shall
 - (a) give Us or Our appointed representatives all information and assistance as We may reasonably require;
 - (b) provide or make available (upon request and at a time and place designated by us) to the best of the Schemes' ability and power for examination all pertinent books, records and papers (including the audit papers of its auditors), and for interview any insurable person or any other person;
 - (c) take no action which might prejudice Us, and not admit liability for or offer to settle any claim, loss or costs without Our express written consent.
4. We shall be entitled at any time and at our sole discretion to
 - (a) take over and conduct in the Schemes' name and to prosecute in the Schemes' name for Our benefit any claim for indemnity or damages or otherwise against any third party
 - (b) conduct any negotiations and proceedings and the settlement of any claim

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(c) pay to the Scheme the limit of indemnity (less any costs incurred by Us) or any lesser sum for which any claim can be settled, whereupon We shall be under no further liability to the Scheme in respect of such claim.

5. (a) This insurance is for the exclusive benefit of the Scheme and no other person shall have any rights under this Policy in respect of any claim or otherwise.

(b) Our liability under this Policy in respect of any claim shall be discharged by the payment or provision to pay or on behalf of the Scheme of whatever total indemnity or other benefit is due in respect of that claim, regardless of the identity, number or type of Insureds involved in such claim.

Clauses and Extensions

1. Claims Preparation Costs

In addition to the principal Limit of Indemnity stated in the Schedule the insurance under the Policy is extended to include costs reasonably incurred by the Scheme in producing and certifying any particulars or details required by Us in terms of the Claims Condition or to substantiate the amount of any claim provided that Our liability for such costs in respect of any one claim shall not exceed the amount stated in the Schedule.

2. Cost of Recovery

If the Scheme shall sustain any Loss to which the Policy applied exceeds the Limit of Indemnity here-under We will, in addition to the principal Limit of Indemnity, pay to the Scheme costs and expenses not exceeding the amount stated in the Schedule necessarily incurred with Our consent (which consent shall not unreasonably be withheld) for the recovery or attempted recovery from the Employee or other person in regard to whom the claim is made.

3. Reinstatement of Office Records

In addition to the principal Limit of Indemnity stated in the Schedule this Policy is extended to include costs charges and expenses incurred by the Scheme in replacing and/or restoring any computer files, data, media documents, manuscripts, business books, plans, designs, specifications or programs destroyed damaged or lost as a result of Loss insured by this Policy provided that Our liability shall not exceed the Amount stated in the Schedule.

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4. Automatic Reinstatement of the Insured Amount

In the event of the exhaustion of the aggregate limit under this Insurance by reason of any one loss and/or series of losses such aggregate limit shall be reinstated, without payment of an additional premium, but any such reinstated amount shall apply only in respect of payments which are totally unrelated to any payment(s) that give rise to such reduction. It being understood that Our total liability under this Insurance shall be limited to twice the amounts shown in the Schedule during the Period of Insurance. If the Scheme has in effect any Insurance or Insurances providing excess coverage for limits beyond the amounts available under this Insurance, the reinstatement herein provided for shall become effective only *AFTER* the total exhaustion of the limits of all such excess coverage by reason or payments thereunder.

5. Accountants Clause

Any particulars or details contained in the Schemes' books of account or other business books documents or systems which may be required by Us for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Schemes' auditors or professional accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.

6. Prior Knowledge

It is agreed that knowledge by the person signing the proposal form or giving renewal or other instructions of his own fraud or dishonesty, whether acting alone or in collusion with others, shall not prejudice any claim under this section.

7. Unidentifiable Insurable Person Clause

If a Loss is alleged to have been caused by the fraud or dishonesty of any of the Insured Persons and the Scheme shall be unable to designate the specific Insured Person(s) causing the Loss, the Schemes' claim in respect of such Loss shall not be invalidated by their inability to do so, provided the Scheme is able to furnish evidence to prove to Our reasonable satisfaction that the Loss was in fact by reason of and caused by one or more dishonest or fraudulent acts of one (or more than one acting in collusion) of the Insurable Persons wherever committed.

8. Additional Reporting Period

The Scheme is granted an additional period of 12 (twelve) months to either discover a loss or to identify circumstances that may give rise to a claim for indemnity in terms of this Policy and to comply with the Claims Condition provided that

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- (a) the additional period applies only in the event that We (and not the Scheme) cancel or refuse to renew this Policy.
- (b) A quotation by Us for different premiums, terms, limitations, exclusions or Limits of Indemnity at renewal does not constitute a refusal to renew.
- (c) The additional reporting period shall continue to exist after termination of this Policy and is subject otherwise to all the terms, Exclusions and Conditions of this Policy.
- (d) This extension shall terminate immediately on the expiry date or cancellation date of this Policy should insurance replacing in whole or in part the insurance afforded by this Policy be obtained by the Scheme regardless of whether such replacing insurance provides for loss sustained or circumstances occurring prior to its effective date.

9. VAT Exclusive

Notwithstanding that sums insured, first loss amounts, indemnity limits or insured values, by whatever name such are referred to in this Policy (henceforth "Policy Limits") are expressed on a VAT exclusive basis, We agree that We will indemnify the Scheme for any VAT obligations the Scheme may incur, arising out of any claims settlement made hereunder. Excesses or first amounts payable will also be treated as VAT exclusive.

SECTION 8 – MACHINERY BREAKDOWN

WHAT WE WILL PAY FOR

We will pay up to the amount stated in the Schedule for any physical loss or damage to any machine resulting from its breakdown.

SPECIFIC DEFINITIONS

Breakdown

Breakdown means sudden and accidental damage to any machine or part thereof resulting in the actual breaking, seizing, deformation or burning out of any part of a machine causing stoppage of the functions thereof and necessitating repair or replacement before it can resume its normal function.

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Machine

Means air-conditioning plant, swimming pool machinery, saunas, spa baths, Jacuzzis, borehole pumps, automatic gates, garage doors, boilers, heat pumps, electrical switchgear, escalators, hoists, lifts and transformers forming part of the buildings

SPECIFIC CONDITION

Comprehensive Maintenance Agreement

You must enter into and maintain a comprehensive maintenance agreement for the servicing and repair of Machines detailed in the schedule of insured property.

Average

if the sum insured on any item (except item 1) is, at the commencement of any accidental loss or damage, collectively of greater value than the sum insured thereon, then you will be liable for the difference and will bear a ratable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

BASIS OF SETTLEMENT

1. Where the damaged machine can be repaired, we will pay to repair the item to its condition immediately before the damage. If you have already repaired the machine, we will pay the costs incurred by you.
2. Where a machine is totally destroyed, we will either pay the value of the machine immediately prior to the damage or supply the same or similar machine with the same capacity.

WHAT WE WILL NOT PAY FOR

We will not pay for

- a) Damage, defects or defective insulation due to the wearing away or wearing out of any part of a machine caused by or naturally resulting from ordinary use or working.
- b) Gradually developing flaws, defects, defective insulation and cracks or partial fractures in any part which do not cause immediate stoppage and necessitate repair or replacement although at some future time repair or renewal of the parts affected may be necessary.

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- c) Renewal or repair of fuses collecting brushes overload protection devices or electrical contacts at which sparking or arcing occurs in ordinary working.
- d) Tightening up or refitting or renewal of keys.
- e) Erosion or corrosion of valves and seatings.
- f) The renewal of transformer or switch oil, unless caused by a breakdown.
- g) Explosion (which does not include the bursting nor disruption of turbine compressor engine or hydraulic cylinders, flywheels or other parts subject to centrifugal force transformers or oil immersed switchgear).
- h) Escape of water from apparatus containing water (other than apparatus or appurtenance(s) forming part of the Insured Property or directly connected therewith).
- i) Damage to or replacement of foundations, brickwork and masonry and/or steel structures forming part of any conveyor system.
- j) Damage to or replacement of electric heating elements, fuses, glass bulbs, tubes, valves, electronic components or circuitry.
- k) Damage to or replacement of cutting tools, drills, saw blades, abrasive wheels or discs, dies, moulds, flexible piping, flexible drives or expendable parts.
- l) damage resulting from imposition of abnormal conditions directly or indirectly relating to testing, intentional overloading or experiments;
- m) Loss or damage caused by operation of a machine when in a materially defective condition and/or loss or damage and/or liability caused by Your willful act or Your willful neglect.
- n) Consequential loss of any kind whatsoever.

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SECTION 9 – ELECTRONIC EQUIPMENT (specified items only)

WHAT WE WILL PAY FOR

We will pay for accidental Physical loss of or damage to the property insured described in the schedule from any cause not hereafter excluded whilst at work or at rest at the premises.

We will pay you up to the amount for each item stated in the schedule of insurance.

WHAT WE WILL NOT PAY FOR

We will not pay you irrespective of the original cause, for

- a) The first amount payable as stated in the schedule.
- b) Derangement unless accompanied by physical damage otherwise covered by this sub-section.
- c) Loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on your behalf covering the insured equipment.
- d) Faults or defects known to you (or your trustees and/or responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to us or any consequences thereof.
- e) Wastage of material or the like or wearing out of any part of the insured property 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.
- f) 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, we shall indemnify you for the residual value prior to the loss of such exchangeable parts.
- g) The cost of reproducing data and/or programs whether recorded on cards, tapes, discs or otherwise.

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- h) Loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein.
- i) Loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry to or exit from the separate office at the premises.
- j) Loss or damage occurring during the currency of a manufacturer's guarantee unless a claim is first made against the guarantor.

Reinstatement of Data

We will pay up to the amounts stated in the schedule for the cost of reinstatement of data which is lost as a result of loss or damage indemnifiable under this extension.

Increase in Cost of Working

We will pay up to the amounts stated in the schedule in respect of the additional expenditure necessarily and reasonably incurred by you to minimise or prevent the interruption or interference with the business during the indemnity period following loss or damage indemnifiable under this extension.

Indemnity Period

The term indemnity period shall mean the period beginning after 24 hours after the occurrence of the loss or damage and ending not later than the number of months stated below after the occurrence during which the business has been affected in consequence of the loss or damage.

SPECIFIC CONDITION

Comprehensive Maintenance Agreement

You must enter into and maintain a comprehensive maintenance agreement for the servicing and repair of Machines detailed in the schedule of insured property

Average

If the sum insured on any item is, at the commencement of any accidental loss or damage, collectively of greater value than the sum insured thereon, then you will be liable for the difference and will bear a ratable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

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SECTION 10 – PERSONAL ACCIDENT (VOLUNTARY WORKERS & BODY CORPORATE EMPLOYEES)

WHAT WE WILL PAY FOR

We will pay Compensation to a Voluntary Worker, Body Corporate Employee or that person's deceased estate, as detailed in Table A (Lump Sum Payments) below where such Voluntary Worker or employee suffers Death or Bodily Injury as a consequence of an accident occurring at the Situation whilst engaged in work during the Policy Period which results in an Event within 1 calendar year of the accident. We will not pay more than the amount stated in the schedule.

DEFINITIONS

Bodily Injury

Means an injury to a person resulting solely and directly from an accident and which

- a) Is caused by violent, external and visible means.
- b) Is independent of any other cause or causes, including pre-existing physical or congenital conditions.
- c) Is not an illness.

Compensation

Means the payment shown against the Event in Table A below.

Doctor

Means a legally registered medical practitioner who is not an insured person under this Policy or their relative.

Event

Means an Event causing Bodily Injury listed in either of Tables A below.

Foot

Means the entire foot below the ankle.

Hand

Means the entire hand below the wrist.

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Loss

Means in connection with

- i. A hand and, permanent physical severance or permanent total loss of use of the hand;
- ii. A foot, permanent physical severance or Permanent total loss of use of the Foot;
- iii. An eye, total and permanent loss of all sight in an eye;

which in each case is caused by Bodily Injury.

Permanent

Means having lasted twelve (12) consecutive months and at the expiry of that period, beyond hope of improvement.

Permanent Partial Disablement

Means the inability of a Voluntary Worker or Body Corporate Employee to engage in a substantial part of their usual occupation or business duties, while they are under the regular care of and acting in accordance with the instructions or advice of a Doctor.

Permanent Total Disablement

Means the inability of a Voluntary Worker or Body Corporate Employee to engage in all of their usual occupation or business duties, while they are under the regular care of and acting in accordance with the instructions or advice of a Doctor.

TABLE A – LUMP SUM PAYMENTS

Event Compensation

Is a percentage of the amount shown in the Schedule.

1. Death 100%
2. Permanent Total Disablement 100%
3. Permanent Partial Disablement 50%
4. Loss of Sight in both eyes 100%
5. Loss of Sight in one eye 50%
6. Loss of two Hands 100%
7. Loss of one Hand 50%
8. Loss of two Feet 100%
9. Loss of one Foot 50%

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BASIS OF SETTLEMENT

- a) We will only pay the Voluntary Worker or Body Corporate Employee Compensation if that Voluntary Worker Body Corporate Employee is not entitled to compensation under any workers' compensation insurance, motor accident scheme or other statutory scheme or fund.
- b) If the Voluntary Worker dies as a result of a disability, We will reduce the amount We pay for Event 1 (Death) by the amount of any Compensation We have paid for the disability.
- c) If a Voluntary Worker becomes entitled to Compensation under more than one of the Events 1 to 9, the Compensation paid will be cumulative up to 100% of the Compensation payable for Event 1 (Death).
- d) After the payment of Compensation for any one of Events 2 to 9, We will have no further liability to that Voluntary Worker or Body Corporate Employee for any of those Events.

ADDITIONAL BENEFITS

If We accept a claim for Compensation We will also pay the Voluntary Worker or Body Corporate Employee the following expenses:

1. Travel Expenses

Travel expenses necessarily and reasonably incurred in obtaining medical treatment in relation to the subject disability up to a maximum of R1 000 during the Policy Period for any one person.

2. Domestic Assistance

Domestic assistance expenses necessarily and reasonably incurred in obtaining domestic help up to a maximum of R3 500 during the Policy Period for any one person.

3. Medical Expenses

Expenses incurred within twelve (12) months of sustaining Bodily Injury and paid by the Voluntary Worker or Body Corporate Employee to a private hospital, ambulance service, dentist, massage service after referral by a registered Medical Practitioner.

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The Company will not pay under this Additional Benefit

- a) More than R500 during the Policy Period for any one person.
- b) Expenses for which a medical aid benefit is payable.

WHAT WE WILL NOT PAY FOR

We will pay for any claim arising directly or indirectly from or having any connection with:

- a) Intentional self-injury, or suicide, including injuries suffered as a result of attempted suicide.
- b) The Voluntary Worker or Body Corporate Employee being rendered less capable of taking care of himself or herself as a consequence of mental illness, including any psychological, psychiatric or stress disorder.
- c) The Voluntary Worker or Body Corporate Employee being rendered less capable of taking care of himself or herself as a consequence of being under the influence of alcohol or any drug, other than a drug prescribed by a doctor.
- d) Childbirth or pregnancy.
- e) Any pre-existing medical condition.
- f) Human Immunodeficiency Virus (HIV) or any variance including Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC).

SPECIFIC CONDITIONS

In addition to the general conditions applying to all Sections of the Policy:

- a) You must advise Us in writing as soon as reasonably possible after the occurrence of Bodily Injury covered by this Section.
- b) You must pay the cost, if any, of any medical certificates, reports or other evidence that Company may require to assess a claim under this Section.

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- c) We may request the Voluntary Worker or Body Corporate Employee to have a medical examination by a Doctor nominated by it and The Company will be responsible for the payment of such examination.