

## HOMEOWNERS RESIDENTIAL INSURANCE

### INTRODUCTION

Thank you for choosing the FPA Homeowners Policy.

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, what is not 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 your insurance broker.

### 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, Exclusions, Extensions and Definitions apply to the entire policy whereas Specific Conditions, Exclusions, Extensions and Definitions 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.

### 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

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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 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

- 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 You. 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.

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- All the glass installed in the building. However, structures built mainly of glass such as conservatories, skylights or glass awnings have limited cover for hail damage.
- Permanent fixtures and fittings.
- Swimming pools, Jacuzzis, Saunas and tennis courts

### 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.

### 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).

### GEYSERS

The policy automatically covers geysers against bursting and overflowing.

Section 2 of the policy provides additional cover for geysers 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.

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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.
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.

### **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.

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### **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.

### **UNOCCUPIED TENANTED PROPERTY**

If your property is used as a holiday home or is permanently tenanted we provide no cover for theft or malicious damage from the time that the property is vacated unless you have applied to us in writing and we have agreed to provide cover. Such cover will be subjective to restrictive terms and conditions.

### **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) You and Your family residing with you.
- b) Your Guests
- c) Any institution having a financial interest in your buildings

### POLICY SECTIONS

The policy also extends to include the following additional cover

- GEYSER REPLACEMENT AND REPAIR
- MACHINERY BREAKDOWN
- PERSONAL LEGAL LIABILITY
- LEGAL EXPENSES FOR BREACH OF STATUTE
- TRUSTEES AND MEMBERS LIABILITY

### 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.

### YOUR SUM INSURED

You are responsible 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.

### BUILDINGS VALUATIONS

We do not undertake valuations as part of our contract of insurance with you but we are able to refer you suitably qualified persons and companies who can provide a professional valuation of your property.

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### **AVERAGE**

Your policy is subject to the condition of average. This means that if you insure your property 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, Occupancy, Your financial condition and any claims or un-insured losses that you have suffered. Safeguard your interests by advising us of any changes to the building, its construction or nature of occupancy (tenanted or holiday home etc).

### **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.

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 and Gas compliance certificates.

### **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

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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.
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.

## 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. It is Your responsibility to ensure that You are adequately insured.

### 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.



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You do not have to tell us anything

1. That diminishes the risk to be undertaken by us.
2. That is of common knowledge.
3. That we know or ought to know.

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"

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### 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.

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:

### WORD TERM OR MEANING

#### **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.

#### **Building(s)**

The building(s) 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 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.

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 that are external to the building

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- f) Satellite dishes and antennas used for receiving radio and/or television signals
- g) Swimming pools, saunas, spa baths, Jacuzzis and Tennis Courts
- h) Services, such as, electricity, telecommunications and water, owned by you or for which you are legally responsible

Building(s) does not include

- a) Temporary walls
- b) Internal window coverings including curtains and blinds
- c) Temporary ceilings
- d) temporary floor coverings
- e) Tenants contents
- f) Marinas, docks, wharves and piers
- g) Light fittings which are not built or wired into the electrical installation;
- 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 installation 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.

### **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.

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### **Excess**

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

### **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.

### **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.

### **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.

### **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.

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### **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, 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.

### **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.

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### **Rent**

An amount of money calculated on the basis of annual or monthly rent payable by a tenant to the 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.

### **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.

### **The Company**

We / we / our / us

### **Tsunami**

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

### **Unoccupied**

This means that the 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

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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.

### **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 Insured named in the Schedule

## **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:

### **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 a-foregoing

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.

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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.

### **2. Asbestos**

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.
- 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.



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### **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.

### **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

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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 following damage to your buildings or your common property contents. 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.

### **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 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.

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### **2. Applicable Law**

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

### **3. Assignment**

You 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.

### **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. Inspection and Audit**

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

### **7. Interests of Other Parties – Mortgage 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.

#### *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 insured
- b) by any misrepresentation or non-disclosure by insured
- 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,

## HOMEOWNERS RESIDENTIAL INSURANCE

- 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.

### 9. Other Insurances

You must tell us if there is any other insurance policy covering the building.

### 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 or your authorised representative 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.

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### 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.

- 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 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 you.
- 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.

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- 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.
- 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.

### **SECTION 1 – BUILDING**

#### **WHAT WE WILL PAY FOR**

We will pay for damage to Your Buildings 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.

## HOMEOWNERS RESIDENTIAL INSURANCE

### 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
  - 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) Swimming pools, spas, Jacuzzis or their surrounds caused by movement of their foundations or structure.
  - g) Skylights, glass awnings or glass structures by hail.
  - h) 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.

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- 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.
- 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.



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- 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;
  - 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.
  - 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'.
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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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

#### 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 buildings 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.
  - e) Insufficient compaction or fill at the site upon which the building has been erected.
  - f) Pre-existing conditions or where You have been aware of or suspected that the insured property is or has been subject to subsidence or landslip.

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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.

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 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

- 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

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- 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. 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.

#### **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.

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### 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.

### **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. 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.

#### **2. 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

#### **3. Loss of Rent and Alternative Accommodation**

We will pay an amount

- Equal to the rent that You receive if the building is rented

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- Equal to the normal rental value of the building if it is occupied by you

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

For all claims made for this Extension we will only pay in the aggregate up to 25% of the sum insured.

### **4. Failure of Services**

We will pay an amount

- Equal to the rent that You receive if the building is rented
- Equal to the normal rental value of the building is occupied by you

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.

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### **5. 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.

### **6. 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.

### **7. Replacement of Keys and Locks**

If a key to an external door lock of your buildings 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.

### **8. 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 buildings.

### **9. 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.

### **10. 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 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.

### **11. 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 thereof) of exterior fixtures and fittings by forcible means.

### **12. Water Loss**

We will pay up to the amount stated in the schedule for the cost of water lost through leakage from pipes if You are responsible to pay the charge for such water lost subject to

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- 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.

### **13. 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 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 undamaged portion of the property.

### **14. 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 R50 000.



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### **15. 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.

### **16. 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 Buildings 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.

### **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 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.

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### 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.

### SECTION 3 – MACHINERY BREAKDOWN

#### WHAT WE WILL PAY FOR

We will to 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

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stoppage of the functions thereof and necessitating repair or replacement before it can resume its normal function.

### **Machine**

Means air-conditioning plant, swimming pool machinery, saunas, spa baths, Jacuzzis, borehole pumps, automatic gates, garage doors, 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.

### **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.
- c) Renewal or repair of fuses collecting brushes overload protection devices or electrical contacts at which sparking or arcing occurs in ordinary working.

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- 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.

## SECTION 4 - PERSONAL LEGAL LIABILITY

### WHAT WE WILL PAY FOR

We will cover you in respect of claims up to the amount as stated in your schedule for any loss or losses arising out of any one insured event, including costs and expenses you incur in the

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defence of any action brought against you for an insured event for which you become legally liable, provided that We agree in writing before you incur such costs or expenses

We will only pay for claims first made against you during the period of insurance.

### **Insured Event**

Accidental death, bodily injury, disease, sickness, illness, mental injury, mental anguish and shock of any person or loss of or damage to the tangible property of any person, which occurs during the period of insurance and for which you are legally liable to pay.

### **Territorial Limits**

The Republic of South Africa

## **EXTENSIONS OF COVER**

### **1. Wrongful Arrest**

If you become legally liable to pay for damages resulting from the wrongful arrest or alleged wrongful arrest which arises out of your activities as a member of a neighborhood watch or a block watch group or a similar voluntary non-profit organisation, We will cover you up to the amount as stated in your schedule for any one valid claim or series of valid claims arising out of one insured event, including legal costs and expenses.

### **2. Liability to Domestic Employees**

We will cover you for legal liability up to the amount as stated in your schedule where you become liable due to the death of or bodily injury to your domestic employee which arises from and in the course of his/her service during the period of insurance. This includes the legal costs and expenses which the domestic employee can recover in respect of a valid claim under this extension and which you may incur with Our written consent. Exclusion 2 below does not apply to domestic employees.

*Specific exclusion to this extension number (2)*

*This extension will not apply if the loss is covered by any compulsory statutory insurance or any more specific policy of insurance.*

### **3. Security Companies/ Garden Services**

We will cover you for legal liability assumed in terms of a written contract entered into with an entity providing security, armed response services or garden services, in respect

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of the address insured under Section 1: Buildings up to the amount stated in your schedule.

*Specific exclusions to this extension number (3)*

*We will not cover you for legal liabilities relating to or arising from or in any way associated with the ownership, possession, use or handling of any fire-arm, including air guns.*

### **4. Business premises liability**

We will cover you for legal liability up to the amount as stated in your schedule where you become legally liable due to an insured event that occurs at the address insured under Section 1: Buildings whilst conducting Business. This cover will not apply if the insured event is covered by another insurance policy.

*Specific exclusions to this extension number (4)*

*We will not cover you for legal liabilities relating to or arising from or in any way associated with*

- a) any person employed by the insured under a contract of service or apprenticeship and arising from and in the course of such employment by the insured*
- b) damage to that part of any property / item on which the insured is or has been working if such damage results directly from work which is conducted in terms of the insured's Business*
- c) any advice, treatment or service of a professional nature given or administered, by or at the direction of the insured*
- d) goods or products (including containers and labels) sold or supplied, other than food and drink supplied incidentally and consumed at insured address*
- e) injury or damage occurring after the completion and handing over of any work which is conducted in terms of the insured's Business and caused by or through or in connection with any defect or error in or omission from such work*
- f) The ownership, possession, use or handling of any fire-arm, including air guns.*

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### 5. Legal Expenses for Breach of Statute

Subject to our prior agreement we will pay legal costs and disbursements for which You may become liable to pay or incurs in defence or appeal in connection with proceedings that are first commenced against You during the policy period and reported to us during the policy period related to any alleged breach of any Occupational Health and Safety legislation.

*Specific exclusions to extension number (5)*

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

- a) Where You have not obtained our prior written consent to the incurring of those legal costs and disbursements.*
- b) Where You were 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 You have not complied or are 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.*
- 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.*

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- j) Relating to any matter where insurance cover is available under another section of this policy, notwithstanding that such cover was not taken out.*

### 6. Trustees & Members liability

*Specific definitions for this extension number (6)*

#### **Claim**

Each separate act, error or omission contained in a written demand received by you or contained in any legal or arbitration proceedings served on you claiming compensation against you.

#### **Loss**

Means award of compensatory damages made by a competent court or tribunal including third party costs or any settlement incurred with Our prior written consent. Loss does not include

- a) Director or employee remuneration, benefits, stock or share options or severance payments.
- b) Taxes, fines or civil, regulatory or criminal penalties.
- c) Punitive, aggravated or exemplary damages.
- d) Any amount for which you are not financially liable or which are without legal recourse to you.
- e) Any matter which may be deemed uninsurable under the laws governing this policy.

#### **Wrongful Act**

An act or alleged act, error, omission, misstatement, misleading statement, negligent act, negligent error, negligent omission or negligent breach of duty committed by you whilst acting in the capacity of the specific positions stated in this extension.

#### **We will pay for**

We will pay for any Loss including defence costs and expenses incurred by you or on your behalf with our prior written consent, up to the amount stated in your schedule,



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if you become legally obligated to pay as a result of a Claim occurring and first made during the policy period of insurance, against you for an Insured Event or a Wrongful Act committed by you, whilst acting in your personal capacity as a trustee, governor, member, director or officer of a formally and legally registered

- a) Non-profit organisation,
- b) Charity,
- c) Body corporate,
- d) Home Owners Association,
- e) Educational (Schools and Tertiary) institution.

and you are not being remunerated in any way for holding such position, and the appointment of such position has been made formally with written authority.

This cover will not apply if the Insured Event or Wrongful Act is covered by another insurance policy.

### *Limit of Liability for this extension number (6)*

The limit of liability stated in the schedule is the aggregate limit of our liability for all Loss, including defence costs, under the policy as a result of all Claims first made against you during an annual period meaning 12 consecutive months from the inception date of the policy. The payment of defence costs shall reduce, and may exhaust the limit of liability as stated in the schedule.

### *Specific exclusions for this extension number (6)*

*We will not cover you for legal liabilities relating to or arising from or in any way associated with*

- a) *Any circumstances known to you at the inception date of this policy which could reasonably have been foreseen to give rise to a claim against you.*

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- b) Any circumstances occurring or alleged to have occurred prior to the inception date of this policy.*
- c) You gaining any personal profit, advantage, remuneration or reward to which you are not legally entitled to.*
- d) Claims made against you by your family or extended family or Nominees.*
- e) The giving of professional advice or service whether or not for remuneration or any act, error or omission relating thereto.*

### **WHAT WE WILL NOT PAY FOR**

We will not cover you for legal liabilities relating to or arising from or in any way associated with

1. Loss of or damage to property belonging to you, family members permanently residing with you or your domestic employees, or any employee or in your possession or under your control.
2. Any family member permanently residing with you or financially dependent on you or any person acting in the course of his/her employment with you at the time of the accident.
3. Your directors, members, trustees or beneficiaries, or their family members permanently residing with them if you are a company, close corporation or trust.
4. Any employment, trade, apprenticeship, business, profession.
5. The use of or interference with support to land, buildings or any other property.
6. Liability or claim that arises from any legal liability you may have as the result of having entered a contract or agreement, unless such liability would in any event have ensued without entering into such contract.
7. Willful, dishonest, fraudulent, criminal or malicious act or damage.
8. Damages awarded against you in any judgment or cost and expenses of litigation recovered by any claimant who institutes action in a court outside of the Republic

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of South Africa, except a judgment confirmed or cost and expenses of litigation recovered by any claimant in a court of the Republic of South Africa.

9. Costs and expenses incurred after you or the claimant has accepted an offer by the insurer to settle the claim in full, or for a lesser amount than the insurer believes the claim can be settled for, or the maximum amount for which the insurer is legally liable.
10. Any penalties or fines, or for any criminal offences or criminal judgment against you.
11. The unlawful ownership, possession, use or handling of any unlicensed firearm including air guns.
12. Loss of or damage to or attributable to animals, other than domesticated animals, including horses, owned by you or in your possession or control.
13. Any condition directly or indirectly caused by or associated with Human Immune Virus (HIV) or any mutations, derivatives or variations thereof or in any way related to Acquired Immune Deficiency Syndrome (AIDS) or any syndrome or condition of a similar kind.
14. Passing on an infectious or other disease.
15. Arising from seepage, pollution or contamination; the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances, unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected accidental event.
16. The ownership, possession, use or handling of any motor vehicle, caravan, trailer (other than unattached trailers), aircraft or watercraft (other than model aircraft, surfboards or paddle skis) owned by or in the custody or control of you or your domestic staff.
17. Loss or damage covered by any other insurance policy.
18. Loss or damage which forms the subject of any compulsory statutory insurance.