



TERMS & CONDITIONS

Underwritten by Infiniti Insurance Limited
An Authorised Financial Service Provider • FSP No: 35914

F&I INSURANCE SUBJECTIVITIES / EXCLUSIONS AND CLAUSES ATTACHING TO THE POLICY COVERS



MATERIAL FACTS

Please note that under South African law it is your duty to disclose all Material Facts to Insurers/Reinsurers prior to inception of the Policy, and to keep them advised of any changes to such facts or any new such facts throughout the currency of the Policy, and upon renewal of the Policy. A Material Fact is a fact which may influence an Insurer's/Reinsurer's judgement in their assessment of a risk. If you are in any doubt as to whether a fact is material, we recommend that it be disclosed. Failure to disclose Material Facts may entitle Insurers/Reinsurers to void the Policy from inception'

Special Note to Material Facts : If the business is in any form of Business Rescue or Insolvency this is considered a material fact that is required to be declared prior to inception of the policy and during the period of insurance.

General Operative Clause

Specific Conditions, Specific Clauses and Specific Extensions shall be read in conjunction with the General Conditions, General Clauses, and General Extensions of the leading policy. Notwithstanding the foregoing or anything to the contrary General Exclusions are applicable to all sections of the Policy.

Prevention of Loss

The Insured shall take all reasonable steps to:

- a. safeguards the Insured Property and ensure that Laws and Regulations applicable to such Insured Property are observed and complied with.
- b. prevents accidents and minimise loss or damage.
- c. maintains in efficient condition all plant, machinery, and equipment, including all Fire Detection and Fire Fighting Equipment and Water Supply to such Equipment; and ensure that Government and other regulations relating to maintenance and operation of plant, machinery, and equipment, including Fire Detection, Fire Fighting Equipment, flammable liquids storage, spray painting and Water Supply thereto are observed and complied with.

Factory & Industrial is a registered Financial Services Provider: FSP Number 9138
Factory & Industrial Risk Managers (Pty) Ltd. Registration Number: 1999/012242/07



SPECIFIC CONDITIONS OF COVER APPLICABLE

In addition to the General Policy Conditions and Policy Wordings the following conditions form part of the policy contract:

1. **Contra Proferentem Rule. Please note:** The contra proferentem rule does not apply to the interpretation of this Policy.
2. If this policy incorporates a provision for a self-insured Aggregate of losses, in any format, no new claims later than 90 days after the expiry of the period of insurance will be included, at which time the Aggregate will be deemed to be closed, subject to finalization of any outstanding claims already recorded to the Aggregate record.
3. If any section of this policy is subject to Declaration Conditions, we require such declarations within 30 days of expiry of the period of insurance. Failing which the Declared Value / Sum Insured will be deemed to have been declared as actual and invoiced accordingly.
4. If this policy provides DIC/DIL cover to a policy issued elsewhere, a copy of such policy must be provided to F&I for consideration before cover under this extension will be accepted.
5. The Customers/Suppliers clause is limited to direct and first tier customer /suppliers only and is subject to FLEX covers only. (FLEX = Fire Lightning Explosions)
6. **Should this policy be issued on a collective basis, F&I does not agree to any "Follow the Lead" or Co-Insurers' Agreement clause, where F&I is a non-lead co-insurer.**
7. F&I reserves the right to undertake Technical and / or Commercial Surveys at any of the Risk locations. In this regard, F&I is to be allowed access to any premises of the Insured, with reasonable notice, for inspections or surveys. F&I does not contribute towards any third-party surveys and will undertake the underwriting surveys at our own costs should these be required.
8. If there is any dependence on any sister companies or companies within the same group for suppliers / customers, this must be declared and listed as a suppliers / customer's extension with the percentage dependency and subject to acceptance of cover by the underwriter in writing, otherwise this cover is excluded from our covers.
9. All sub limit covers stated are applicable to the policy cover as a whole and not per premises and shall not accumulate for separate premises of the insured.
10. Should any changes or endorsements be made during the period of cover, F&I must be notified independently of the lead and or each co insurer/reinsurer, failing which F & I will not consider itself bound by such changes or endorsements.
11. A full list of physical addresses of all premises F&I is insuring together with their splits in Declared Values for both Property Damage and Business Interruption is required. If machinery Breakdown cover is provided, F&I will require Declared Values and a list of critical plant per Location. Cover is only applicable to the Insured's declared premises. Any losses other than at the Insured's known premises are excluded.



12. If the quotations herein are based on Policy Loss Limits, F&I is to be notified immediately if higher layers are being quoted on or purchased.
13. The terms herein are subject to the Insured having a Hot Work Permit system in place, at all Insured's premises where Hot Works are carried out for which they are responsible.
14. Where extensions appear in the schedule as covered and which are not provided for in the policy wording, such extensions shall take on their normal grammatical meaning in the English language but are always subject to the Defined events of the section in this policy wording.
15. F&I does not subscribe to split placements and if this insurance is on a co-insurance basis all co-insurer's must be on the same terms & Conditions unless agreed in writing.
16. If any Arbitration clause appears in the policy wording F&I will consider the decision of an arbitrator, but it will not be taken as binding on F&I, and we reserve the right to contest such arbitration should the need arise.
17. Subject to no known or reported losses between now and the date that cover is bound with F&I.
18. Closing or binding instructions to be given to F&I before the expiration of the quotation validity stipulated below.
19. Closing or binding instructions to be agreed and to be confirmed as accepted by F&I. No automatic cover given.
20. Compliance with Statutory Regulations and By laws - It is a condition of F&I cover that the client is in compliance with all statutory laws and regulations applicable and pertaining to the business.

General Exclusions applicable Include.

In addition to the General Policy Exclusions and Policy Wordings the following conditions form part of the policy contract:

1. NON-DAMAGE GENERAL EXCLUSION

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any financial loss unless arising from the physical loss of or physical damage to property caused by an insured peril. For the sake of clarity this exclusion also applies, but is not limited to, any act of a lawfully established or recognized authority, in relation to closure, restriction, or prevention of access, in connection with the foregoing. All sections and extensions that provide for such loss, damage, costs or expenses are hereby deleted in their entirety.

Definition of physical loss or damage - Physical loss or damage means sudden and unforeseen detrimental change in tangible property substance in a manner necessitating repair or replacement. For the avoidance of doubt a pure loss of use, such as the inability to use or restrictions in the use of a building or an object, as well as the simple non-functioning of an object shall not constitute a physical loss or damage.



2. Grid Failure Exclusion

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover any loss, damage (whether physical or financial), liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any electricity grid failure.

This exclusion also applies to any theft losses and/or consequential losses in respect of any public utilities that are affected by electricity grid failure including, but not limited to, the disruption of water, telecommunications, and sewage systems as well as the deterioration of stock, food or other items.

Definition of electricity grid failure

Electricity grid failure means a total or partial interruption, suspension, or blackout of the electricity supply from the national, regional or private electricity grid to the electricity grid of the Republic of South Africa for whatsoever reason, whether due to damage, an inability and/or failure (whether partial or total), of the utility supplier to generate, transmit or distribute electricity or any other cause.

3. No mining / Paint Manufacturing / Recycling risks / Rubber Manufacturing / Mattress manufacturing / Polystyrene Manufacturing (foamed formed Plastic) risks are covered in this policy. If these are tenants in any of the buildings, our cover for these buildings is automatically excluded.
4. This insurance policy does not cover destruction of or damage to plant and machinery during or construction or erection, dismantling, revamp, return to operation/service of property under care & maintenance conditions or undergoing testing and commissioning including mechanical performance testing and any business interruption resulting therefrom.
5. This cover excludes any Riot and strike cover, Riot Wraparound / PTS cover or any resultant business interruption cover is excluded in its entirety for all locations and all countries.
6. Unexplained or mysterious disappearance of property is excluded from all covers.
7. Maintenance or wear and tear are specifically excluded from all covers.
8. Non-macadamised roads / earthen roads and dams are excluded from all covers.
9. Destruction of or damage to property which at the time of the happening is insured by or would but for the existence of this policy be insured by any marine policy or policies or which would have been payable under a marine policy or policies had this insurance not been affected is specifically excluded.
10. Cover for livestock, live poultry, live fish, live animals, and growing crops is excluded from all covers.