



Policy Document
BUILDINGS

LORDS
INSURANCE
Guarding Your Tomorrow.

SECTION 01:

BUILDINGS

This Buildings Insurance policy provides cover for residential buildings, including outbuildings, fixtures, fittings, boundary walls, gates, and other permanent structures, as specified in your schedule.

The building is insured against loss or damage by

BASIS OF COVER

- (a)** Fire, lightning, thunderbolt, explosion, earthquake, but excluding earthquake arising from mining operations, impact, storm, wind, hail, snow;
- (b)** Oil leakage from any domestic heating apparatus;
- (c)** Malicious Damage as defined by paragraph 7 of the Preamble;
- (d)** Burglary at or theft or attempted theft from the Building, however, if the Building is unoccupied for more than 60 days or is lent, let, sublet or is untenanted, Burglary cover only shall apply;
- (e)** Accidental demolition;
- (f)** Water, but excluding loss or damage by water to hedges, fences, gates or retaining walls and loss or damage not occurring as the result of a specific event.

DEFINITIONS

1. "Building" means the building of the private residence at the address/es recorded in the Schedule including its fixtures and fittings, TV and radio masts and aerials, satellite dishes, garages, outbuildings, other permanent structures, walls, fences, gates, courts, pool, saunas, boreholes (with their associated equipment other than automatic pool cleaners), paved, tiled or tarred driveways, paths, steps, patios and the like, all the property of the Policyholder or for which the Policyholder is responsible.
2. "Burglary" means theft accompanied by forcible and violent entry to or exit from the building.
3. "Fixtures and Fittings" fixtures and fittings including but not limited to built-in furniture (fixed to the walls or to the floor), wall-to-wall carpeting, bathroom and kitchen fittings and permanent security systems.
4. "Insured Property" the Dwelling constructed and situated at the Risk Address as shown in the Schedule of Insurance belonging to You.
5. "Unoccupied" where the total of the periods the Dwelling or Outbuildings exceeds 60 (sixty) days in any 12 (twelve) month Period of Insurance.
6. "Burglary" breaking into or out of the Dwelling by visible, violent and forcible means.

SPECIAL PROVISIONS

Adequacy of Sum Insured

1. The Building is insured for its full replacement value and therefore the Sum Insured should be equal to such value and include a provision for the Other Expenses insured by Additional Cover.

2. If the Sum Insured is not equal to the replacement value the Company's liability will be limited to that portion of the agreed amount of any loss that the actual Sum Insured bears to the replacement value as illustrated by the following example:

Replacement Value of Building	P100 000
Company's liability limited to	$\frac{P75\ 000 \times P60\ 000}{P100\ 000} = P45\ 000$
Sum Insured on Building	P75 000
Agreed amount of loss	P60 000

The Company should therefore be advised promptly of any improvements that increase the replacement value

Automatic Escalation

The Sum Insured on the Building will be deemed to increase automatically during the period to the Anniversary Date at the simple rate of escalation specified in the Schedule (rounded off at the Anniversary Date to the nearest P100) without any corresponding increase in the Premium during such period.

Sum Insured not Reduced by Claim

The Sum Insured will not be reduced by the amount of any claim for less than a total loss of the Building and therefore no additional premium will be payable to reinstate the Sum Insured following any such claim.

Increase in Risk

Notwithstanding General Condition 2 (Material Increase in Risk during the time the Insurance is in force)

- (i) the insurance by this Section shall not be invalidated by any act or omission of a tenant of the Building provided the Policyholder notifies the Company as soon as he or she reasonably can after the act or omission comes to his or her knowledge;
- (ii) the insured interest of any mortgagee recorded in the Schedule shall not be invalidated by any act or omission of the Policyholder that is not known to the mortgagee.

Basis of Claims Settlement

Notwithstanding any other provision any claim for a total loss of the Building shall (subject always to the Company's Limit of Liability) be settled on the basis of the market value at the time of the loss unless the Policyholder proceeds with the necessary reconstruction within a reasonable time from the date of the loss. Such reconstruction may, however, be carried out on another site provided the Company's liability is limited to the amount it would have been liable to pay for reconstruction on the same site.

SPECIAL EXCLUSIONS

- (i) The Company will not be liable for the amount of the deductible specified in the Schedule;
- (ii) The Company will not be liable for loss or damage occasioned by or attributable to subsidence or landslip.
- (iii) loss or damage arising from wear and tear, gradual deterioration, lack of maintenance of the Dwelling or defective design, construction or materials;
- (iv) loss or damage where the Dwelling is Unoccupied for more than 60 (sixty) consecutive days unless the Company agrees to extend the cover in writing and You have paid the additional premium the we require;
- (v) loss or liability if the Dwelling does not conform to the requirements of the National Buildings Regulations or similar legislation applying at the time of the erection;the cost of maintaining the Dwelling;

- (vii) loss or damage to temporary structures such as, but by no means limited to, prefabricated garden sheds or tree houses.
- (viii) consequential loss or damage of any kind whatsoever except as specifically provided for under Loss of Rent;
- (ix) loss or damage to any Dwelling or Outbuilding which is a non standard construction i.e. Thatch roof in part or in whole unless specified in the Schedule of Insurance and the additional Premium has been received by Us and You have met the specific requirements in respect of thatched roofs, as set out in the warranty / notes / endorsement Section of your Schedule of Insurance;
- (x) any additional costs resulting from the unavailability of matching materials.

ADDITIONAL COVER

In addition this Section insures:

1. Alternative Accommodation/Loss of Rent

The cost of reasonable alternative accommodation or the rent receivable or payable for the Building for any period it is uninhabitable following any loss or damage insured by this Section. The amount claimable is limited to 20% of the Sum Insured.

For the purpose of this cover rent is understood to be the rental value of the Building unfurnished.

2. Other Expenses

Other Expenses necessarily and actually incurred following any loss or damage insured by this Section:

- (a) In demolition removal of debris and/or erection and maintenance of hoardings during clearing and reconstruction;
- (b) for professional consultants' fees in connection with such reconstruction or the assessment of any loss;
- (c) in order to comply with the requirements of any public authority with regard to such reconstruction. The amount claimable is limited to 10% of the Sum Insured.

3. Fire Fighting Services

The actual charges levied by any fire fighting or similar authority in connection with an insured event.

4. Breakage of Glass and Sanitary Ware

The assessed loss in respect of accidental breakage of fixed glass and sanitary ware in the Building (except when it is unoccupied and untenanted) but excluding chipping and scratching or disfiguration.

5. Damage to Utility Services

The assessed loss in respect of accidental damage to water, sewerage, gas, electricity or telephone connections between the Building and the public mains supply.

6. Capital Additions

Capital Additions by way of alterations, improvements and new structures (but not appreciation in market or reinstatement value) up to an amount not exceeding 15% of the Sum Insured. However, this does not relieve the Policyholder of his/her obligation to advise the Company of such Capital Additions as soon as reasonably practicable and to pay any required additional premium.

7. Watchmen's Services

The reasonable costs of employing watchmen following an event giving rise to a claim limited to P2 000 any one event.

8. Electrical Gates/Doors

Lightning damage to electrical gates/doors unless otherwise insured and subject to the standard deductible reflected in the Schedule.

9. Geysers

Destruction, loss of or damage to or bursting of geysers subject to the deductible reflected in the Schedule. All geysers with effect from 08/06/2001, to be compliant with SABS 0254.

All geysers:

1. must be fitted with vacuum breakers in hot and cold lines;
2. must have a metal overflow pipe fitted;
3. must have a geyser/drip tray installed;
4. must have an electrical isolation switch installed, no more than 1 m from geyser. (Not referring to the circuit breaker in the distribution board).

10. Keys, Locks and remote-Control Units

We will pay for reasonable costs incurred up to P1 500 of Insurance for and one occurrence:

- (i) for the temporary protection of the Insured Property following a loss;
- (ii) as a direct consequence of any keys, locks or remote-control units for the Dwelling being lost, destroyed or damaged.

11. Water Pumping Machinery

If fixed filtration plant or water-pumping machinery (not automatic pool cleaners) in domestic use is damaged by an Insured Event (not wear and tear or electrical breakdown) We will pay for or choose to repair or replace it up to a maximum of P2 500.

12. Public Authorities Requirements

We will pay costs necessarily incurred in repairing or rebuilding in accordance with the requirements of public authorities following destruction or damage to the Dwelling by an Insured Event.

13. Public Supply Connections

I f the water, sewerage, gas, electricity and telephone connections of Your property or for which You are legally responsible, between the said Dwelling and the public supply or mains are accidentally damaged or destroyed, We will either pay for or repair them.

14. Third Party Liability

If this section insures the Dwelling then the Personal Liability section provides Indemnity insofar as it applies to the liability of the property owners.

15. Subsidence and Landslip Extension (Standard Cover)

Notwithstanding anything contained in this Policy to the contrary, cover is provided for damage caused by Subsidence and Landslip.

Provided that You shall bear the first portion of each and every claim up to an amount calculated at **1 percent** of the Sum Insured on the Dwelling, subject to a minimum of **P5 000 (Five thousand Pula)**, or the amount separately specified by a clause in the Schedule of Insurance, whichever is the greater.

This extension does not cover:

- 1.** damage to drains, water courses, boundary walls, garden walls, screen walls, retaining walls, gates, posts or fences, driveways, paving, paths, patios, terraces, swimming pool surrounds and tennis courts; or
- 2.** damage caused by or attributable to or aggravated by contraction / shrinkage and / or expansion of soil caused by the moistness / dampness or moisture content of such soil as experienced in clay and other similar soils; or
- 3.** existing damage at the inception of the Policy; or
- 4.** damage caused by or attributable to or aggravated by faulty design, inadequate compaction of backfill or faulty construction of, or the removal or weakening of support to any insured building situated at the Risk Address; or
- 5.** damage caused by or attributable to or aggravated by work carried out in making any structural alterations, additions or repairs to any insured building situated at the Risk Address; or
- 6.** damage caused by or attributable or aggravated by excavation on or under land other than excavations in the course of mining operations;
- 7.** damage to solid floor slabs or any other part of the insured building resulting from the movement of such slabs unless the foundations supporting the external walls of the insured building are damaged at the same time; or
- 8.** damage caused by or attributable to consequential loss of any kind whatsoever except loss of rent when specifically insured under this section; or
- 9.** work necessary to prevent further destruction or damage due to Subsidence and Landslip except where appropriate design precautions were implemented during the original construction of the insured building and any subsequent additions thereto. If a claim is not covered because of any one or more of the exceptions above, then You must prove to the contrary.