



CONDIÇÕES GERAIS  
**FIDELITY  
GUARANTEE**

## GENERAL EXCEPTIONS CONDITIONS AND PROVISIONS

Subject the terms, exception and conditions (precedent or otherwise) and in consideration of, and conditional upon, the prior payment of the premium by or on behalf of the insured and receipt thereof by or on behalf of the company, the company specified in the schedule agrees to indemnify or compensate the insured by payment or, at the option of the company, by replacement, reinstatement or repair in respect of the defined event occurring during the period of insurance and as otherwise provided under the within the sections up to sums insured, limits of indemnity, compensation and other amounts specified.

Where more than one insurance company or insurer participates in this insurance, the expression "company" shall be amended to "insurers" wherever it appears in this policy. In this event the percentage share of each insurer will be as expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name.

Specific exception, conditions and provisions shall override general exceptions, conditions and provisions.

### General Exceptions

- (A) This policy does not cover loss of or damage to property related to or caused by:
- (i) Civil commotion, labour disturbance, riot, strike, lock out or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;
  - (ii) War, invasion, act of foreign enemy, hostilities or war like operations (whether war be declared or not) or civil war;
  - (iii) 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 or martial law or state of siege;
  - (iv) Insurrection, rebellion or revolution;
  - (v) 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;
  - (vi) 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 section thereof;
  - (vii) Any attempt to perform any act referred to in clause (iii) or (iv) above, the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause (i), (ii), (iii), (iv), (v) or (vi) above.

If the company alleges that, by reason of clause A (i), (ii), (iii), (iv), (v), (vi) or (vii) of this exception, loss or damage is not covered by this policy the burden of proving the contrary shall rest on the insured

- (B) This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of war damage insurance or any similar Act operative in any of the territories to which this policy applies.
- (C) Except as regards the Fidelity, Stated Benefits and Group Personal Benefit Sections this policy does not cover:
- (i) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
  - (ii) Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiation or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.

The indemnity provided by this policy shall not apply to nor include any loss, destruction, damage or legal liability directly or indirectly caused by, or contributed to by, or arising from nuclear weapons material.

### General conditions

#### Misrepresentation, misdescription and non-disclosure

Misrepresentation, misdescription or non-disclosure in any material particular shall render voidable the particular item, section or subsection of the policy, as the case may be, affected by such misrepresentation, misdescription or non-disclosure.

#### Other Insurance

If, at the time of any event giving rise to a claim under this policy, insurance exists with any other insurers covering the insured against the defined events, the company shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of average, this policy, if not already subject to any condition of average, shall be subject to average in like manner.

### 3A. Cancellation

This policy or section may be cancelled at any time by the company giving 30 days notice in writing (or such other period as may be mutually agreed or by the insured giving immediate notice. On cancellation by the insured, the company shall be entitled to retain the customary short period or minimum premium for the period the policy of section has been in force. On cancellation by the company, the insured shall be entitled to claim a pro-rata proportion of the premium for the remainder of the period of insurance from the date of cancellation, subject to general condition 4.

### 3B. Continuation of cover (where premium is payable by bank, debit order or by transmission account)

The premium is due in advance and, if it is not received by the company by due date, this insurance shall be deemed to have been cancelled at midnight on the last day of the preceding period of insurance unless the insured can show that failure to make payment was an error on the part of his bank other paying agent.



Due date will be the first day of every calendar month where premium is payable monthly the first day of (a) each third (b) each six or (c) each twelfth calendar month following inception where premium is payable quarterly, half-yearly or annually.

#### 4. Adjustment of premium

If the premium for any section of this policy as been calculated of any estimate figure, the insured shall, after the expiry of each period of insurance, furnish the company with such particulars and information as the company may require for the purpose of recalculation of the premium for such period. Any difference shall be paid by or to the insured as the case may be.

#### 5. Prevention of loss

The insured shall take all reasonable steps and precautions to prevent accidents or losses.

#### 6. Claims

- (a) On the happening of any event which may result in a claim under this policy the insured shall, at their own expense:
  - (i) Give notice thereof to the company as soon as reasonable possible and provide particulars of any other insurance covering such events as are hereby insured.
  - (ii) As soon as practicable after the event inform the police of any claim involving theft or (if required by the company) loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property.
  - (iii) As soon as practicable, after the event but not later than 30 days, submit to the company full details in writing of any claim.
  - (iv) Give the company such proofs, information and sworn declaration as the company may require and forward to the company immediately any notice of claim or any communication writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to a claim.
- (b) No claim (other than a claim under the business interruption, fidelity, stated benefits or group personal accident section or the personal accident (assault) extension under the money section, if applicable) shall be payable after the expiry of totalling 12 months or such further time as the company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- (c) No claim shall be payable unless the insured claims payment by serving legal process on the company within 6 months of the rejection of the claim in writing and pursues such proceedings to finality.

If, after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called upon to do so by the company, provided that the insured's reasonable

expenses in rendering such assistance shall be reimbursed by the company. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay the company all amounts paid in respect of the claim.

#### 7. Company's rights after an event

- (a) On the happening of any event in respect of which a claim is or may be made under this policy, the company and every person authorized by them may, without thereby incurring any liability and without diminishing the right of the company to rely upon any conditions of this policy.
  - (i) take, enter or keep possession of any damaged property and deal with it in any reasonable manner.

This condition shall be evidence of the leave and license of the insured to the company to do so. The insured shall not be entitled to abandon any property to the company whether taken possession of by the company or not
  - (ii) take over and conduct in the name of the insured the defense or settlement of any claim and prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement offer, promise, payment or indemnity shall be made by the insured without the written consent of the company.
- (b) The insured shall, at the expense of the company, do and permit to be done all such things as may be necessary or reasonably required by the company for the purpose of enforcing any rights to which the company shall be, or would become, subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
- (c) In respect of any section of this policy under which an indemnity is provided for liability to third parties, the company may, upon the happening of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the company shall thereafter not be under further liability in respect of such event.

#### 8. Fraud

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by the insured or anyone acting on their behalf or with their knowledge or consent to obtain any benefit under this policy or if any event is occasioned by the wilful act or with the connivance of the insured, the benefit afforded under this policy in respect of any such claim shall be forfeited.

#### 9. Reinstatement of cover after loss (not applicable to stock on a declaration basis nor to any section where it is stated to be not applicable)

In consideration of sums insured not being reduced where appropriate by the amount of any loss, the insured shall pay additional premium on the amount of the loss from the date thereof or from the date of reinstatement or replacement (whichever is the



later) to expiry of the period of insurance.

## 10. Breach of conditions

The conditions of this policy and sections thereof shall apply individually to each of the risks insured and not collectively to them so that any breach shall render voidable the section only in respect of the risk to which the breach applies.

## 11. No rights to other persons

Unless otherwise provided, nothing in this policy shall give any rights to any person other than the insured. Any extension providing indemnity to any person other than the Insured shall not give any rights of claim to such person, the intention being that the insured shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to the company.

## 12. Collective insurances

If this insurance is a collective insurance then the following amendment is made to general condition 6(a) (iv) above, "give the leading insurer on behalf of the insurers such proofs, information and sworn declaration as the insurers may require and forward to the leading insurer immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim", and General condition 7 is substituted by the following

### 7. Company's rights after an event

- (a) On the happening of any event in respect of which a claim is or may be made under this policy the leading Insurer and every person authorized by them may, without thereby incurring any liability and without diminishing the right of the insurers to rely upon any conditions of this policy:
  - (i) take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and license of the insured to the lead insurer on behalf of all insurers to do so. The insured shall not be entitled to abandon any property to the insurers whether taken possession of the leading insurer or not
  - (ii) take over and conduct In the name of the insured the defense or settlement of any claim and prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the leading insurer.
- (b) The insured shall, at the expense of the insurers, do and permit to be done all such things as may be necessary or reasonable required by the insurers for the purpose of enforcing any rights to which the insurers shall be or would become subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
- (c) In respect of any section of this policy under which an

indemnity is provided for liability to third parties, the insurers may, in the case of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the insurers shall thereafter not be under further liability in respect of such event."

## General provisions

### A. Claims preparation costs

The insurance by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company in terms of general condition 6 or to substantiate the amount of any claim, provided that the liability of the company for such costs in respect of anyone claim shall not exceed in respect of a particular section \$150 or 10% of the sum insured or limit of indemnity on the item affected, whichever is the lesser amount, plus any amount stated in the schedule to each section against an item for additional claim preparation costs.

### B. Payments on account

In respect of any section where amounts recoverable from the company are delayed pending finalization of any claim, payments on account may be made to the insured, if required, at the discretion of the company.

### C. First amount payable

Except where provided for specifically in any section, the amount payable under this policy/section for each and every loss, damage or liability shall be reduced by the first amount payable shown in the schedule for the applicable defined event.

### D. Members

Wherever the word "director" is used it is deemed to include "member" if the insured is a close corporation.

### E. Liability under more than one section

The company shall not be liable under more than one section of this policy in respect of liability, loss or damage arising from the same happening in respect of the same liability, loss or damage.

### F. Meaning of words

The schedules and any endorsements direct and the policy wording shall be read together and any word or expression to which a specific meaning as been given in any part thereof shall bear such meaning wherever it may appear.

### G. Premium payment

Premium is paid on or before the inception date or renewal date as the case may be, and remains the sole responsibility of the insured to ensure that the premium is timeously paid. The company shall not be obliged to accept premium tender to it after inception date or renewal date as the case may be but may due so upon such terms as the company's sole discretion may determine.



#### H. Holding covered

If the company is holding covered on a risk they will not reject a claim on the basis that the premium has not been agreed.

#### I. Schedule sums insured blank

If, in a schedule of this policy, the sum insured, limit of indemnity or compensation is:

- Left blank or as not monetary amount stipulated against it Reflected as nil or not covered or no indemnity extended
- This means the defined event or circumstance shown in the schedule is not insured by the policy.

#### J. Security firms

If any employee of a security firm employed by the insured under a contract causes loss or damage, the company agree, if in terms of the said contract the insured may not claim against the said security firm, not to exercise their rights or recourse against the said security firm.

The company shall not rise as a defense to any valid claim submitted under any section or subsection of this policy that the company's rights have been prejudice by the terms of any contract entered into between the insured and any security provider relating to the protection of the insured property.

#### K. Jurisdiction

The policy is subject to jurisdiction of the court of the Republic of Mozambique. The company will not be responsible for any legal cost incurred outside the Republic of Mozambique.

### MILLENNIUM GENERAL EXCEPTION

General exception (not applicable to Glass, Employer's Liability, Stated Benefits, Group Personal Accident or Motor Indemnities)

This policy does not cover:

Loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising there from:

Any legal liability of whatsoever nature; Any consequential loss; directly or indirectly caused by or contributed to by or consisting of or arising from the incapacity or failure of any computer

- i) to treat any date before, during or after the year 2000 as the correct date or true calendar date, or correctly or appropriately to recognize manipulate interpret process store receive or to respond to any data or information, or to carry out any command or instruction, in regard to or in connection with any such date or
- ii) to capture save retain or correctly to process any data as a result of the operation of any command which as been a programmed into any computer, being a command which causes the loss of data or the inability to capture save retain or correctly to process such data in regard to or in connection with in such date.

A computer includes any computer data processing equipment, microchip, integrated circuit or similar device or any computer software tools operating system or any

computer hardware or peripherals and the information or data stored in or on any of the above, whether the property of the insured or not.

### Special Extension to the above General Exception

A Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by any of the included special perils referred to below is not hereby excluded:

- a) if the insured has prior to the loss destruction or damage
  - i) appointed a year 2000 co-coordinator at senior staff level and
  - ii) by the use of expert consultancy or expert employees analyzed the potential impact of the year 2000 problem, devised strategy to fix the problem taken the necessary action to fix the problem as advised by such expert and tested and demonstrated the result of such fixing
- b) if at the time of event the computer is not a computer used by or on behalf of the insured or any person with whom the insured has a computer interface or any electronic link.

The only special perils that are included for the purpose of this special extension are damage caused by:

- Storm, wind, water, hail or snow excluding damage to property
- a) arising from its undergoing any process necessarily involving the use or application of water;
  - b) caused by tidal wave originating from earthquake or volcanic eruption;
  - c) in the underground workings of any mine;
  - d) in the open (other than buildings structures and plant designed to exist or operate in the open. Unless so described and specifically insured as a separate item.
  - e) in any structure not completely roofed;
  - f) being retaining walls.
2. aircraft and other aerial devices or articles dropped there from;
  3. impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.

### These special perils do not cover wear and tear or gradual deterioration.

- B if the Insured has complied with the requirement of Special Extension A (a) (i) and A (a) (ii) above the above general exception also does not apply to consequential loss as insured by any Business Interruption indemnity of this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in A above;
- C this Special Extension will not insure any loss destruction, damage or consequential loss if it would not have been insured in the absence of this Millennium General Exception and Special Extension thereto;
- D This Special Extension shall not apply to any Public Liability



indemnity.

#### AGREED MARKET EXTENSION WORDING

#### Agreed Market Extension Wording applicable to Fire & Buildings Combined Sections

#### Average Extension: Day One Basis: Non-Adjustable - applicable to buildings and machinery only

The items to which this extension applies and their declared values are shown in the schedule.

1. The insured having stated in writing the declared value incorporated in each item to which this extension applies, the premium has been calculated accordingly.

"Declared Value" shall mean the insured's assessment of the cost of reinstatement of the property insured arrived at in accordance with the first paragraph of the Reinstatement Value Conditions at the level of costs applying at the inception of the period of insurance (ignoring inflationary factors which may operate subsequently to the fixing of the Declared Value) together with , in so far as the insurance by the item provides, due allowance for:

- (I) the additional costs of reinstatement to comply with Public Authority Requirements (as stated herein)
  - (II) architects and other professional fees (as stated herein)
  - (iii) costs of demolition and clearing and erection of hoardings (as stated herein).
2. At the Inception of each period of insurance, the insured shall notify the company of the declared value of the property by each of the said item(s). In the absence of such declaration, the last amount declared by the insured shall be taken as the declared value for the ensuing period of insurance.
  3. Notwithstanding any general condition of endorsement to the contrary, the following wording applies to proviso 3 of the Reinstatement Value conditions.

Each item insured under these conditions is declared to be separately subject to the following Condition of Average, namely:

If, at the time of damage, the declared value of the property covered by such item be less than the cost of reinstatement (as defined in paragraph I above) at the inception of the period of insurance, then the company's liability for any loss hereby insured shall be limited to that proportion thereof which the declared value bears to such cost of reinstatement.

The following special Memorandum is added to the Reinstatement Value Conditions.

#### Special Memorandum

Where, by reason of any of these conditions, no payment is to be made beyond the amount which would have been payable under the policy if this extension had not been incorporated therein, the rights and liabilities of the company and the insured in respect of the destruction or

damage shall be subject to the terms and conditions of the policy including any condition of average therein, as if this extension had not been incorporated therein, except that the total amount payable shall be limited to a maximum of the percentage of the declared value shown in the schedule.

4. In the event of loss, the liability of the company in respect of property to which this extension applies, shall not exceed the sums Insured stated in the schedule.
5. If this section of the policy is subject to a Capital Additions Clause, then such clause is deleted and replaced by the following:

The Insurance hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to property specified herein (other than stocks) for an amount not exceeding ten per cent of such sums insured, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

#### 1. FIDELITY SECTION

##### Defined events

Loss of money and/or other property belonging to the insured or for which they are responsible stolen by an insured employee during the currency of this section

Direct financial loss sustained by the insured as a result of fraud or dishonesty of an insured employee all of which occurs during the currency of this section which results in dishonest personal financial gain for the employee concerned provided that

- i) (a) the company is not liable for all losses which occurred more than 24 months prior to discovery;
- (b) all losses are discovered not later than twelve months after the termination of:
  - (i) this section, or
  - (ii) this section in respect of any insured employee concerned in a loss, or
  - (iii) the employment of the insured employee or the last of the insured employees concerned in a loss whichever occurs first;
- ii) (a) BLANKET BASIS - the liability of the company for all losses shall not exceed the sum insured stated in the schedule whether involving anyone employee or any number of employees acting in collusion or independently of each other;
- (b) NAMED OR POSITION BASIS - the liability of the company for all losses involving any employee shall not exceed the sum insured stated opposite his name in the schedule or, if he is unnamed, the sum insured stated opposite the position held by him in the business as stated in the schedule;
- iii) renewal of this insurance from period to period or any



extension of any period of insurance shall not have the effect of accumulating or increasing the liability of the company beyond the sum insured stated in the schedule. If the period of insurance is less than 12 months the company's liability is limited to the sum stated in the schedule during any twelve month period of insurance calculated from inception or renewal;

- iv) the term "dishonest personal financial gain" shall not include gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.

### Definition

#### Employee shall mean

- (a) any person while employed under a contract of service with or apprenticeship to the insured;
- (b) any person while hired or seconded from any other party into the service of the insured;

who the insured has the right at all times to govern, control and direct in the performance of his work in the course of the business of the insured and who, if this section is on a named and/or position basis, is described in the schedule by name and/or by the position held by him in the business.

### Specific exceptions

1. The company shall not be liable for
  - (a) loss resulting from or contributed to be any defined event by any partner in or of the insured to the extent that such partner would benefit by indemnity granted under this policy;
  - (b) any principal, director or member of the insured unless such director or member is also an employee;
  - (c) any employee from the time the insured shall become aware that such employee has committed any fraud or dishonesty;
  - (d) any consequential losses of any kind following losses referred to under defined events.
2. This section does not cover any company or other legal entity acquired during the period of insurance.
3. The company shall not be liable for any defined event if it results from the dishonest
  - (i) manipulation of
  - (ii) input into
  - (iii) suppression of input into
  - (iv) destruction of
  - (v) alteration of any computer programme, system, data or software by any insured employee who is employed in the insured's electronic data processing department or area.

This exception does not apply to insured employees who are employed in the electronic data processing department/area of any non-networked micro/personal computer.

4. The company shall only be liable to the extent of the participation/shareholding of any uninvolved partners/principals/directors or members for an insured event in which any partner/principal/director or member of the insured is or has been directly involved.

This specific exception only applies to Partnerships, Proprietary Companies or Close Corporations

### Specific conditions

1. The insured shall institute and/or maintain and continue to employ in every material manner all such systems of check and control, accounting and clerical procedures and methods of conducting his business as has been represented to the company but the insured may;
  - (a) change the remuneration and conditions of service of any employee;
  - (b) respect of any employee who is described in the schedule by name, change his Duties and position;
  - (c) in respect of any employee who is described in the schedule only by the position held by him, remove such employee and place in his position any other person who falls within the definition of employee;
  - (d) make such other changes as are approved before hand in writing by the insured's auditors.
2. If the insured shall sustain any loss to which this section applies which exceeds the amount payable hereunder in respect of such loss, the insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or effected by the company or for the amount of any first amount payable) by whomsoever made on account of such loss until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the company and the insured to the extent of his coinsurance in terms of item (b) the compulsory first amount payable clause.

### Clauses and extensions

#### Accounts clause

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

#### Extended cover for past employees extension

Any person who ceases to be an employee shall, for the purposes of this section, be considered as being an employee for a period of 30 days after he in fact ceased to be an employee. .

Retroactive cover extension - No previous insurance in force (if stated in the schedule to be included)

This section will also apply to defined events as insured herein which occurred up to 12 month prior to inception of this section but



not more than 24 months prior to discovery, provided the events are discovered within the sooner of 12 months of the termination of the employment of the employee concerned or within 12 months of the expiry of this section.

**Superseded insurances extension (if stated in the schedule to be included)**

- This section will apply to defined events insured herein which occurred during the currency of any insurance superseded by this section and specified in the schedule provided that;
- this extension is restricted to losses which would have been payable by the superseded insurance but which are not claimable because of the expiry of the
- period of time allowed by the superseded insurance for the discovery of the defined events;
- the defined events are discovered within the sooner of 12 months of the termination of the employment of the employee concerned or within 12 months of the expiry of this section;
- the amount payable under this extension shall not exceed the amount insured by this section or the amount insured by the superseded insurance whichever is the lesser;
- in the event of the defined events involving one employee or any number of employees occurring during both the currency of this section and that of the superseded policy, the maximum amount payable shall not exceed the amount insured by this section at the time of discovery of the defined events;
- this extension will not apply to defined events which occurred more than the number of years stated in the schedule before inception of this section
- the company is not liable for any loss which occurred more than 24 months prior to discovery

**Other insurances**

It is a condition of this section that other than

- (a) a money policy;
- (b) that declared to the company at inception or renewal or time a claim is submitted;
- (c) a fidelity pension fund policy which is not in excess of this section;
- (d) this policy no other insurance is in force during the currency of this section to insure against the risks insured hereunder.

**Compulsory first amount payable**

The amount payable under this section in respect of a defined event involving one employee or any number of employees acting in collusion shall be reduced by:

- (a) 2% of the aggregate of the sum insured under this section and the declared insurance or US\$6 000 whichever is the lesser plus
- (b) a further amount of 10% of the net amount payable after deduction of the amount specified in (a) above. Both amounts shall be borne in full by the insured and remain uninsured.

**Computer losses first amount payable**

The percentage shown in (b) of the compulsory first amount payable clause is increased from 10% to 20% if the defined event results from the dishonest

- (i) manipulation of
- (ii) input into
- (iii) suppression of input into
- (iv) destruction of
- (v) alteration of any non-networked micro/personal computerprogramme, system, data or software by any insured employee whoseduties involve the managing, supervision, design, creation, or alterationof computer systems or programmes.

First amount payable for losses discovered more than 12 months afterthey were committed

If any defined event is discovered more than 12 months after:

1. it was committed
2. the first event in a series of events committed by one person or anumber of persons acting in collusion the percentage contained in thefirst amount payable clause are increased as follows;

First Amount Payable Clause	First amount payable increased to percentage shown below	
	If losses are discovered more than 12 months after being committed but not more than 24 months thereafter	If policy has been extended to cover that part of losses discovered more than 24 months after being committed but not more than 36 months
<b>Compulsory</b> Paragraph(a) Paragraph (b) <b>Computer Losses</b>	From 2% to 4% From 10% to 15% From 20% to 30%	

Notwithstanding the above, the insured may opt to claim only for thatpart of the loss which was discovered in the lesser period, in which casethe first amount payable applicable for the corresponding lesser period will apply.

**Voluntary first amount payable clause (if stated in the schedule to beincluded)**

In addition to the amount payable by the insured under the compulsory first amount payable clause, the insured shall be responsible for the difference between such amount and the amount stated in theschedule as the voluntary first amount payable provided such voluntary amount exceeds the compulsory amount.





**Reduction/Reinstatement of insured amount clause (if stated in the schedule to be included)**

The payment by the company of any loss involving one employee or any number of employees shall not reduce the company's liability in respect of the remaining insured employees provided that:

1. the maximum amount payable by the company for all insured employees shall not exceed double the sum insured shown in schedule;
2. the insured pays additional premium calculated in terms of the following formula

Amount of claim  
payment

Annual premium in force at time of discovery of loss x

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Sum insured at time of  
discovery of loss

The additional premium shall be payable in full and may not be reduced due to the period between the date of discovery of loss and the expiry date being less than 12 months.

**Costs of recovery extension (if stated in the schedule to be included)**

If the Insured shall sustain any loss to which this section applies which exceeds the sum insured hereunder, the company will, in addition to the sum insured, pay to the insured costs and expenses not exceeding the amount stated in the schedule necessarily incurred with the consent of the company (which consent shall not be unreasonably withheld) for the recovery or attempted recovery from the employee in regard to whom the claim is made, of that part of the loss which exceeds the sum insured hereunder. All amounts recovered by the insured in excess of the said part of the loss shall be for the benefit of the company and the insured to the extent of his co-insurance in terms of item (b) the compulsory first amount payable clause.

**Computer losses extension (if stated in the schedule to be included)**

The insured having completed a satisfactory questionnaire, specific exception 3 and the Computer losses first amount payable clause are deleted.

**Extension for losses discovered more than 24 months after being committed but not more than 36 months thereafter (if stated in the schedule to be included)**

1. In consideration of the payment of an additional premium, Proviso 1
  - (a) of the defined events is restated to read:
  - (a) the company is not liable for all losses which occurred more than 36 months prior to discovery.

If this policy section includes the superceded policy clause. the period referred to in proviso 6 thereof is increased from 24 months to 36 months

**Extension granted on receipt of a satisfactory systems audit in respect of losses discovered more than 24 months after being committed (if stated in the schedule to be included)**

In consideration of the accounting firm named in the schedule having conducted a satisfactory audit of the insured's systems of

- control
  - fraud, dishonesty and theft detection and subject to the insured implementing and maintaining all the recommendations contained in such audit:
1. proviso 1 (a) of the defined events (which limits cover to that part of losses discovered within 24 months) and proviso 6 of the superceded insurance extension clause (if applicable) are deleted
  2. if any defined event is discovered more than 12 months after it was committed. the percentages contained in the undernoted first amount payable clauses are increased as follows:

First amount payable clause	First amount payable increased to percentage shown below if losses discovered more than 12 months after being committed
Compulsory Paragraph (a) Paragraph (b) <b>Computer Losses~</b>	From 2% to 3% From 10% to 12.5% From 20% to 25%

Notwithstanding the above, the insured may opt to claim only for that part of the loss which was discovered within 12 months. in which case the first amount payable applicable for that period will apply.

3. The first amount payable clause for losses discovered more than 12 months after they were committed is deleted.

**Memoranda**

1. In the event of the discovery of any loss resulting from a defined event, the insured may, notwithstanding anything to the contrary contained in paragraph (ii) of general condition 6 refrain from reporting the matter to the police but shall do so immediately should the company require such action to be taken.
2. Non disclosure of his own fraud or dishonesty or that of others with whom he is in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section.
3. General exceptions 1 and 2 and general condition 9 do not apply to this section.
4. If the sum insured shall be increased at any time, such increased amount shall apply only to defined events committed after the date of such increase.

