

# BUSINESS INTERRUPTION



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## BUSINESS INTERRUPTION REGULATIONS

(GROSS PROFIT, STANDING CHARGES/WORKING EXPENSES AND/OR NET PROFIT ONLY)

This Section of the Regulations is separated into:

- A. General Business Interruption (Gross Profit or Revenue, Standing Charges/Working Expenses and/or Net Profit only) Regulations Coverage
- B. Rent Regulations
- C. Multimark Regulations
- D. Assets Policies Regulations
- E. Personal Lines Regulations
- F. Project Delay Regulations (Advance Standing Charges)

You are advised to be fully acquainted with the General and Coverage Regulations sub-section before issuing any **Sasria Business Interruption Policy**.

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**Sasria SOC Ltd: Reg. No.** 1979/000287/06 **FSP License No.:** 39117



## A. GENERAL BUSINESS INTERRUPTION REGULATIONS

### 1. POLICIES TO WHICH THESE REGULATIONS APPLY This section of the Regulations includes:

(i) MULTIMARK

FIRE SECTION – RENT CLAUSE ONLY

As insured in terms of the S.A.I.A. approved

BUSINESS INTERRUPTION SECTION

Multimark Policy

ELECTRONIC EQUIPMENT SECTION



(ii) ASSETMARK, ASSETS OR OTHER MULTI-RISK POLICIES

(iii) PERSONAL LINES

(iv) PROJECT DELAY (ADVANCED STANDING CHARGES)

The **Sasria Business Interruption** covers are provided by the issue of a Sasria **Consequential Loss Policy which only covers Gross Profit, Revenue, Standing Charges/Working Expenses and/or Net Profit.**

Since the Sasria Business Interruption Policy is a ‘stand alone’ document, there is no need for an underlying Business Interruption Policy. The Sasria **Business Interruption Policy** only requires a Sasria Material Damage Coupon to be in force and, in the event of a claim, that Sasria have accepted as valid, the loss or damage claim in terms of the corresponding Sasria Material Damage Coupon. In addition, it is not necessary for the Sasria Material Damage Coupon, and the Sasria Consequential Loss Policy to be issued by the same Agent.

It is possible that the Insured could have various Indemnity Periods for their various business entities. In these circumstances it is recommended that a separate Sasria **Business Interruption Policy** be issued for each Indemnity Period. This will assist the Agent, Broker and Sasria to administer any claim speedily.

### 2. DEDUCTIBLES/FIRST AMOUNTS PAYABLE

There are no Deductibles applicable to Sasria **Business Interruption Policies.**

Deductibles applicable to the Insured’s Fire Business Interruption Policy or their Sasria Material Damage Coupon (as a Voluntary Deductible) are not imported into the Sasria **Business Interruption Policy.**

The Sasria **Business Interruption Policy** may be subject to its own Voluntary Deductible.

### 3. MAKE SURE THAT THE CORRECT POLICY SCHEDULE IS ISSUED

In this instance we must bring to your attention that there is a great difference between the Standing Charges Schedule and the Working Expenses Schedule.

#### 3.1 Gross Profit

**Insurance gross profit is defined as: turnover less purchases, bad debts and any other expense deemed variable (adjusted for year end stock and work in progress variation).**

The Policy Number is identified as **“GP”** and applies to those covers arranged to cover only GROSS PROFIT of the Insured’s Business.

It is important to note that Gross Profit should be insured in the following manner:

Sasria Standing Charges/Working Expenses and Sasria Net Profit, the values for both policies need to show the combined sum insured and be applied with the rate to get to the premium. The rate applied is the same as for SC/ WE and NP.



### 3.2 Revenue

The Policy Number is identified as “RE” and applies to those covers arranged to cover only Revenue of the Insured’s Business.

The money paid or payable to the insured for goods sold and for services rendered in the course of the business at the premises.

### 3.3 The Working Expense Schedule:

This basis is by far the most satisfactory method of arranging this cover. The Schedule is identified by the “WE” which forms part of the Policy Number.

**Only those Expenses mentioned are not covered.** All other Fixed Expenses are covered.

### 3.4 The Standing Charges Schedule:

The Policy Number is identified as “SC” and applies to those covers arranged to cover only certain fixed expenses/standing charges of the Insured’s Business. Those not mentioned will not be covered.

### 3.5 The Net Profit Schedule:

The Policy Number is identified as “NP” and applies to those covers arranged to cover only NET PROFIT of the Insured’s Business.

The limit for the net profit would need to be listed on the Sasria Policy, whether it is insured with Standing Charges or Working Expenses.

The net profit( NP policy) can be insured on a standalone basis and with the Standing Charges/Working Expenses Sasria policy, under the SC/WE Sasria policy.

Sasria does not provide cover for Contingent Business Interruption.

It is important to realise that most Insureds prefer the Working Expense basis of cover, due to its administrative simplicity.

**NOTE:** The Insured need not have a Fire **Business Interruption Policy** to effect this coverage.

Nor is it important that the Fire Material Damage Business Interruption Policy and the Sasria Business Interruption Policy are arranged on the same basis, i.e. both on a Standing Charge basis.

A separate Schedule is issued for the **Project Delay** coverage (Advance Standing Charges). Refer to sub-section G of this Section

No other Schedules are acceptable.

## 4. BUSINESS OF THE INSURED

The Sasria **Business Interruption Policy** is no different from the Fire Business Interruption Policy in respect of identifying the Insured’s Business activities. However it is more important to identify all the Insured’s business activities on the Schedule of the Sasria Business Interruption Schedule, since Sasria do not have access to the Agents underwriting files. In fact Sasria requires that the Schedule sets out all the business activities that are to be covered.

Under no circumstances may a general statement, like ‘all legitimate business activities of the Insured’, be entered on the Schedule. Such general statements could result in the coverage being considered void and premium paid for the Period of Insurance that involved the claim could be refunded by Sasria.

In this regard we must mention that if for example, a minor part of the Insured’s business is involved in Property Owning, and this activity is not recorded on the Schedule, any Property Owning Business Interruption claim would not be considered by Sasria.



**5. PREMISES OF THE INSURED**

Due to the requirement that a Sasria Material Damage Coupon be in force, the Sasria Business Interruption Policy will be limited to those premises defined in terms of the corresponding Sasria Material damage Coupon.

The following description of the Insured’s premises is permissible

“All premises, as defined in the corresponding Sasria Material Damage Coupon, owned or occupied by the Insured for the purpose of the Business situate in the Republic of South Africa.”

**6. INDEMNITY PERIOD**

It is not the intention, of these Regulations, to explain the operation of the Indemnity Period.

The minimum Indemnity Period is 12 Months and the maximum period is 60 Months, other than in respect of the Material Damage Rating Category F1 where the maximum period is 48 Months.

Where the indemnity period is less than twelve, the rate levied will be the same as the rate as a policy with 12 months indemnity

**7. INSTRUCTIONS AS TO THE ISSUE OF THE SCHEDULE**

**1. The Schedule**

**SCHEDULE**  
**TAX INVOICE (VAT Reg. 4140119340)**  
 This Coupon becomes a Tax Invoice on payment in full, of the premium reflected

COUPON	NUMBER	YEAR
GP		

**GP:** The next Sasria Consequential Loss **Policy** number.

**Year:** The calendar year in which the Policy incepts, i.e. the year of the first date of the Period of Insurance.

**Replacing Coupon Policy No. (where applicable) Agent:**

The name of the underlying insurer, is the Agent.

**UNDERLYING POLICY NUMBER:**

The Policy number of the underlying Policy issued by the Agent.

**BROKER:**

The name of the Insurance Broker.

**Sasria Material Damage Coupon Policy Number:**

**THE INSURED NAME:**



The full name of the Insured must be entered. If insufficient space, enter the first name and then add the following: ‘and those stated in the attachment.’

Prepare, and attach, a schedule with the following clearly stated:

‘THE INSURED, as stated on the Schedule of this Policy is fully recorded hereunder as “XYZ Manufactures (Pty) Ltd; ABC Marketing cc; .... for their respective rights and interests, as more fully detailed in the attached Policy”.

**Note:** In the case of a Group Scheme, the name registered with Sasria must be utilized as the insured name.

**COMPANY REGISTRATION NUMBER:**

This part is to be completed in the case of commercial/corporate policies. The company registration number of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception

**Note:** In the case of a Group Scheme the words ‘not applicable’ should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.

**HOLDING COMPANY NAME:**

This part is to be completed in the case of commercial/corporate policies. The holding company name of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

**Note:** In the case of a Group Scheme the words ‘not applicable’ should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.

**Insured VAT Reg No:**

This part is to be completed providing the VAT number

**Legal Address:**

This part is to be completed providing the legal address of the insured

**THE INSURED RISK ADDRESSES:**

Top five risk addresses details (if more than one address is insured) must be supplied.

The details to be supplied are: Street name and number, risk city and postal code.

If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

**Note:** The above details must correspond with the details on the Material Damage Coupon.

**In the case of a Group Scheme the words ‘not applicable’ should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.**

**THE BUSINESS:**

As mentioned, in these Regulations, each and every Business activity of the Insured must be stated here. If insufficient space, enter the first business and then add the following: ‘and those stated in the attachment’.

Prepare, and attach, a schedule with the following clearly stated:

‘THE BUSINESS of the Insured is stated in full herein, as:

\_\_\_\_\_



**THE PREMISES:**

“All premises as defined in the corresponding Sasria Material Damage Coupon, owned or occupied by the Insured for the purpose of the Business situate in the Republic of South Africa.”

**Gross Profit Sum Insured:**

**R Subject to the Aggregate Limit of Liability stated in the Proviso of this Policy.**

It is important to note that the Sum Insured must represent the value of the Gross Profit insured.

**Definitions: These are explanations of cover under this policy**

It is important to note that the Sum Insured must represent the value of the Gross Profit insured.

**MAXIMUM INDEMNITY PERIOD: \_\_\_\_\_ Months**

The number of calendar months that this Policy will provide an indemnity to the Insured

**PERIOD OF INSURANCE:**

From \_\_\_\_\_ To 24h00 on \_\_\_\_\_

The full period as recorded in the Sasria Material Damage Coupon, must be entered here. If the POLICY is being issued after 30 days of the first date then enter the date issued.

**PREMIUM: R The above premium is inclusive of Value Added Tax at the standard rate.**

**In respect of Revenue Cover**

**SCHEDULE**

**TAX INVOICE (VAT Reg. 4140119340)**

This Coupon becomes a Tax Invoice on payment in full, of the premium reflected

COUPON	NUMBER	YEAR
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RE: The next Sasria Consequential Loss **Policy** number.

Year: The calendar year in which the Policy incepts, i.e. the year of the first date of the Period of Insurance.

**Replacing Coupon Policy No. (where applicable) Agent:**

The name of the underlying insurer, is the Agent.

**UNDERLYING POLICY NUMBER:**

The Policy number of the underlying Policy issued by the Agent.



**BROKER:**

The name of the Insurance Broker.

**THE INSURED NAME:**

The full name of the Insured must be entered. If insufficient space, enter the first name and then add the following: ‘and those stated in the attachment.’

Prepare, and attach, a schedule with the following clearly stated: ‘THE INSURED, as stated on the Schedule of this Policy is fully recorded hereunder as

“XYZ Manufactures (Pty) Ltd; ABC Marketing cc; \_\_\_\_\_ for their respective rights and interests, as more fully detailed in the attached Policy”.

**Note:** In the case of a Group Scheme, the name registered with Sasria must be utilized as the insured name.

**COMPANY REGISTRATION NUMBER:**

This part is to be completed in the case of commercial/corporate policies. The company registration number of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception

**Note:** In the case of a Group Scheme the words ‘not applicable’ should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.

**HOLDING COMPANY NAME:**

This part is to be completed in the case of commercial/corporate policies. The holding company name of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

**Note:** In the case of a Group Scheme the words ‘not applicable’ should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.

**Insured VAT Reg No:**

This part is to be completed providing the VAT number

**Legal Address:**

This part is to be completed providing the legal address of the insured

**THE INSURED RISK ADDRESSES:**

Top five risk addresses details (if more than one address is insured) must be supplied.

The details to be supplied are:

Street name and number, risk city and postal code. If not available at inception, the coupon may be issued but must be endorsed within three months from inception

**Note:** The above details must correspond with the details on the Material Damage Coupon.

**In the case of a Group Scheme the words ‘not applicable’ should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.**



**THE BUSINESS:**

As mentioned, in these Regulations, each and every Business activity of the Insured must be stated here. If insufficient space, enter the first business and then add the following:

‘and those stated in the attachment’.

Prepare, and attach, a schedule with the following clearly stated:

‘THE BUSINESS of the Insured is stated in full herein, as:  
\_\_\_\_\_’

**THE PREMISES:**

“All premises as defined in the corresponding Sasria Material Damage Coupon, owned or occupied by the Insured for the purpose of the Business situate in the Republic of South Africa.”

**THE ITEMS:**

As detailed in the Specification attached hereto which is declared to be incorporated in and to form an integral part of this Schedule.

**Total Sum Insured:** R Subject to the Aggregate Limit of Liability stated in the Proviso of this Policy.

It is important to note that the Sum Insured must represent the value of the Revenue insured.

**MAXIMUM INDEMNITY PERIOD:** \_\_\_\_\_ **Months**

The number of calendar months that this Policy will provide an indemnity to the Insured.

**PERIOD OF INSURANCE:**

From \_\_\_\_\_ To 24h00 on \_\_\_\_\_

The full period as recorded in the Sasria Material Damage Coupon, must be entered here.

If the POLICY is being issued after 30 days of the first date then enter the date issued.

**PREMIUM: R**

The above premium is inclusive of Value Added Tax at the standard rate. Refer to the Regulations before entering an amount here.

**In respect of Standing Charges/ Working Expenses**

**SCHEDULE**

**TAX INVOICE (VAT Reg. 4140119340)**

This Coupon becomes a Tax Invoice on payment in full, of the premium reflected

COUPON	NUMBER	YEAR
SC/WE		

**SC/WE:** The next Sasria Consequential Loss **Policy** number.

**Year:** The calendar year in which the Policy incepts, i.e. the year of the first date of the Period of Insurance.





**Replacing Coupon Policy No. (where applicable) Agent:**

The name of the underlying insurer, is the Agent.

**UNDERLYING POLICY NUMBER:**

The Policy number of the underlying Policy issued by the Agent.

**BROKER:**

The name of the Insurance Broker.

**THE INSURED NAME:**

The full name of the Insured must be entered. If insufficient space, enter the first name and then add the following: 'and those stated in the attachment.'

Prepare, and attach, a schedule with the following clearly stated: 'THE INSURED, as stated on the Schedule of this Policy is fully recorded hereunder as

"XYZ Manufactures (Pty) Ltd; ABC Marketing cc; \_\_\_\_\_ for their respective rights and interests, as more fully detailed in the attached Policy".

**Note:** In the case of a Group Scheme, the name registered with Sasria must be utilized as the insured name.

**COMPANY REGISTRATION NUMBER:**

This part is to be completed in the case of commercial/corporate policies. The company registration number of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception

**Note:** In the case of a Group Scheme the words 'not applicable' should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.

**HOLDING COMPANY NAME:**

This part is to be completed in the case of commercial/corporate policies. The holding company name of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

**Note:** In the case of a Group Scheme the words 'not applicable' should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.

**Insured VAT Reg No:**

This part is to be completed providing the VAT number

**Legal Address:**

This part is to be completed providing the legal address of the insured

**THE INSURED RISK ADDRESSES:**

Top five risk addresses details (if more than one address is insured) must be supplied.

The details to be supplied are:

Street name and number, risk city and postal code. If not available at inception, the coupon may be issued but must be endorsed within three months from inception

**Note:** The above details must correspond with the details on the Material Damage Coupon.



**In the case of a Group Scheme the words ‘not applicable’ should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.**

**THE BUSINESS:**  
 As mentioned, in these Regulations, each and every Business activity of the Insured must be stated here. If insufficient space, enter the first business and then add the following:  
 ‘and those stated in the attachment’.  
 Prepare, and attach, a schedule with the following clearly stated:  
 ‘THE BUSINESS of the Insured is stated in full herein, as:  
 \_\_\_\_\_,’

**THE PREMISES:**  
 “All premises as defined in the corresponding Sasria Material Damage Coupon, owned or occupied by the Insured for the purpose of the Business situate in the Republic of South Africa.”

**THE ITEMS:**  
 As detailed in the Specification attached hereto which is declared to be incorporated in and to form an integral part of this Schedule.  
**Total Sum Insured:** R Subject to the Aggregate Limit of Liability stated in the Proviso of this Policy.  
 It is important to note that the Sum Insured must represent the value of the Standing Charges/Working Expenses insured.

**MAXIMUM INDEMNITY PERIOD:** \_\_\_\_\_ **Months**  
 The number of calendar months that this Policy will provide an indemnity to the Insured.  
**PERIOD OF INSURANCE:**  
 From \_\_\_\_\_ To 24h00 on \_\_\_\_\_

The full period as recorded in the Sasria Material Damage Coupon, must be entered here.  
 If the POLICY is being issued after 30 days of the first date then enter the date issued.

**PREMIUM: R**  
 The above premium is inclusive of Value Added Tax at the standard rate. Refer to the Regulations before entering an amount here.

**In respect of a Working Expenses Policy**

**LIST OF SPECIFIED UNINSURED WORKING EXPENSES EXPLANATORY**  
**NOTE:**  
 An Uninsured Working Expense is an expense that can be reduced, without detriment to the business, proportionately with a reduction in Turnover if there is an interruption of or interference with the business by any of the consequences insured against.

- 100% of purchases less discounts received. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



**THE FORMULA FOR CALCULATING THE WORKING EXPENSES IS:**

W.E. is the amount determined by: T/O less (O.S less C.S) less U.W.E. less N.P.

T/O = Turnover OS = Opening Stock and Work-in-Progress  
 CS = Closing Stock and Work-in-Progress UWE = Specified Uninsured Working Expenses NP = Net Profit

In respect of a Standing Charges Policy

**LIST OF INSURED STANDING CHARGES EXPLANATORY**

**NOTE:**

An insurable Standing Charge is:

a business expense which might not diminish proportionately with a reduction in Turnover if there is interruption or interference with the business by any of the contingencies insured against; or

any variable charge which it would be desirable to continue in the interest of the business. It is not permissible to state 'all Standing Charges of the Business'. Each Standing Charge is to be separately mentioned.

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Any errors made on the Schedule at the time of issue or before signing, should result in the Schedule being cancelled and a new Schedule issued.

In respect of Net Profit Policy

**SCHEDULE**

**TAX INVOICE (VAT Reg. 4140119340)**

This Coupon becomes a Tax Invoice on payment in full, of the premium reflected

COUPON	NUMBER	YEAR
NP BI		

**SC/WE:** The next Sasria Consequential Loss Policy number.

**Year:** The calendar year in which the Policy incepts, i.e. the year of the first date of the Period of Insurance.

**Replacing Coupon Policy No. (where applicable) Agent:**

The name of the underlying insurer, is the Agent.

**UNDERLYING POLICY NUMBER:**

The Policy number of the underlying Policy issued by the Agent.

**BROKER:**

The name of the Insurance Broker.

**Sasria Material Damage Coupon Policy Number**

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**THE INSURED NAME:**

The full name of the Insured must be entered. If insufficient space, enter the first name and then add the following: ‘and those stated in the attachment.’

Prepare, and attach, a schedule with the following clearly stated:

‘THE INSURED, as stated on the Schedule of this Policy is fully recorded hereunder as

“XYZ Manufactures (Pty) Ltd; ABC Marketing cc; .... for their respective rights and interests, as more fully detailed in the attached Policy”.

**Note:** In the case of a Group Scheme, the name registered with Sasria must be utilized as the insured name.

**COMPANY REGISTRATION NUMBER:**

This part is to be completed in the case of commercial/corporate policies. The company registration number of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

**Note:** In the case of a Group Scheme the words ‘not applicable’ should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.

**HOLDING COMPANY NAME:**

This part is to be completed in the case of commercial/corporate policies. The holding company name of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

**Note:** In the case of a Group Scheme the words ‘not applicable’ should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.

**Insured VAT Reg No:**

This part is to be completed providing the VAT number

**Legal Address:**

This part is to be completed providing the legal address of the insured

**THE INSURED RISK ADDRESSES:**

Top five risk addresses details (if more than one address is insured) must be supplied.

The details to be supplied are: Street name and number, risk city and postal code.

If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

**Note:** The above details must correspond with the details on the Material Damage Coupon.

**In the case of a Group Scheme the words ‘not applicable’ should be utilised. However the said details should be added on the underlying policies for auditing and claims purposes.**

**THE BUSINESS:**

As mentioned, in these Regulations, each and every Business activity of the Insured must be stated here. If insufficient space, enter the first business and then add the following: ‘and those stated in the attachment’.

Prepare, and attach, a schedule with the following clearly stated:

‘THE BUSINESS of the Insured is stated in full herein, as:

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**THE PREMISES:**

“All premises as defined in the corresponding Sasria Material Damage Coupon, owned or occupied by the Insured for the purpose of the Business situate in the Republic of South Africa.”

**Net Profit Sum Insured:**

**R Subject to the Aggregate Limit of Liability stated in the Proviso of this Policy.**

It is important to note that the Sum Insured must represent the value of the Net Profit insured.

**Definitions:** These are explanations of cover under this policy

It is important to note that the Sum Insured must represent the value of the Net Profit insured.

**MAXIMUM INDEMNITY PERIOD:** \_\_\_\_\_ **Months**

The number of calendar months that this Policy will provide an indemnity to the Insured.

**PERIOD OF INSURANCE:**

From \_\_\_\_\_ To 24h00 on \_\_\_\_\_

The full period as recorded in the Sasria Material Damage Coupon, must be entered here. If the POLICY is being issued after 30 days of the first date then enter the date issued.

**PREMIUM: R**

The above premium is inclusive of Value Added Tax at the standard rate.

**8. PERIOD OF INSURANCE**

The Sasria **Business Interruption Policy** must have the same Period of Insurance as the Sasria **Material Damage Coupon** it is following. Therefore, should the period of insurance on the corresponding Material Damage Coupon be amended, the period of insurance on the Sasria Business Interruption Policy must likewise be amended.

**9. EXTENSIONS TO COVERAGE**

Sasria only permit the following additional covers:

**9.1 CLAIMS PREPARATION COSTS**

This additional coverage is **automatically included** in the Sasria **Business Interruption Policy**. There is therefore no need to include any limit in the Sum Insured to cater for these expenses. The wording, different from normal wordings used in the industry, reads:

**CLAIMS COST CLAUSE**

This insurance includes costs and expenses incurred in producing and certifying any particulars or details required by Sasria during the formulation of a claim under the Policy, limited to:

- a) additional fees paid to the Insured’s usual auditors;
- b) additional wages or salaries paid to the Insured’s own employees;
- c) costs or materials used.

**NOTE:** Costs incurred by utilizing the services of other professional, or independent specialists, are not included in this wording.



### 9.2 INTERDEPENDENCY BETWEEN DIVISIONS/BRANCHES USED BY THE INSURED.

Providing that the premises where the loss occurs and the premises subsequently affected by the loss are included in this cover IE, identified in terms of the corresponding Sasria Material Damage Coupon, or if the premises are actual premises used by the Insured, then the dependency loss suffered by the subsequent premises is covered by the Sasria **Business Interruption Policy**.

Premises used by the Insured outside South Africa are not included in the coverage provided.

### 9.3 NEW BUSINESSES

Where the Insured has not been trading for more than 12 consecutive calendar months, the following **NEW BUSINESS CLAUSE** may be included and attached to the Sasria **Business Interruption Policy**:

i. For those policies issued on a Working Expenses basis:

#### NEW BUSINESS CLAUSE

For the purpose of any claim arising from damage occurring before the completion of the first year's trading of the business at the premises, the terms "rate of gross profit" "annual turnover" and "standard turnover" shall bear the following meanings and not as within stated:-

**RATE OF GROSS PROFIT** – The rate of gross profit earned on the turnover during the period between the date of To the commencement of the business and the date of the damage for the trend of the business and for variations in or other circumstances affecting the business

**ANNUAL TURNOVER** – The proportional equivalent for a period of twelve months, of the turnover realized during the period between the commencement of the business and the date of the damage adjusted shall represent as nearly as may be reasonably practicable the results

**STANDARD TURNOVER** – The proportional equivalent a period equal to the indemnity period, of the turnover realized during the period between the commencement date of the damage

which such adjustments shall be made as may be necessary to provide

either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus

which but for the damage would have for been obtained during the relative period after the damage. of the business and the



ii. For those policies issued on a Standing Charges basis:

**NEW BUSINESS CLAUSE**

For the purpose of any claim arising from damage occurring before the completion of the first year’s trading of the business at the premises, the terms “rate payable” “annual turnover” and “standard turnover” shall bear the following meanings and not as within stated:-

**RATE PAYABLE** – The percentage that the INSURED STANDING CHARGES bears to the turn-over during the To between the date of the commencement of the made as business and the date of the damage for the trend of the variations in or other circumstances affecting the business

**ANNUAL TURNOVER** – The proportional equivalent for a period of twelve months, of the turnover realized during the period between the commencement of the business and the date of the damage

adjusted shall represent as nearly as may be reasonably practicable the results

**STANDARD TURNOVER** – The proportional equivalent, a period equal to the indemnity period, of the turnover realized during the period between the commencement date of the damage

which such adjustments shall be period may be necessary to provide business and for either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus

which but for the damage would have for been obtained during the relative period after the damage. of the business and the

**9.4 ADDITIONAL INCREASE IN COST OF WORKING CONSEQUENTIAL LOSS)**

- i. this coverage cannot be given by itself. The Agent must issue a Sasria Business Interruption Policy, which may be issued on either Standing Charges, Working Expenses, Net profit or Gross Profit basis.
- ii. the premium rate to be applied to this extension shall be 1.5 (one and a half) times the Policy rate .
- iii. cover may be included mid-term, in which case a pro-rata premium must be charged and reflected on the Endorsement.
- iv. where the cover is included at the inception date of the Sasria Business Interruption Policy, the additional premium referred to in the Endorsement (see below) must show “Nil”. Otherwise show the pro-rata premium that has been charged.
- v. this extension does not apply to Sasria Project Delay Policies (Advance Standing Charges).

**ENDORSEMENT 364 (Printed Document)**

**EXTENSION ENDORSEMENT ATTACHING TO AND FORMING PART OF CONSEQUENTIAL LOSS POLICY NUMBER \_\_\_\_\_**

**Issued in the name of** \_\_\_\_\_

**ADDITIONAL INCREASE IN COST OF WORKING**

**LIMIT ANY ONE LOSS: R** \_\_\_\_\_

(This Limit shall not have the effect of increasing Sasria’s Limit of Liability under this Policy as stated in the proviso of this Policy).

The insurance provided by this extension is limited to such additional expenditure beyond that reasonable otherwise under this Policy, as the Insured shall necessarily and reasonably incur, during the Indemnity period, in consequence of the Damage for the purpose of maintaining the normal operation of the Business.



In consequence of the foregoing there is an additional premium amounting to R \_\_\_\_\_ due by the Insured. All other Terms, Conditions and Exceptions of the Policy remain unaltered.

Signed on behalf of **Sasria SOC Limited**

Countersigned at \_\_\_\_\_

On the \_\_\_\_\_ day of \_\_\_\_\_ Year \_\_\_\_\_

\_\_\_\_\_

Executive Manager

For: Agent/UMA

#### 9.5 ALTERNATIVE TRADING CLAUSE

In terms of a Fire Business Interruption Policy wording, this extension is referred to as the Memo of the Policy.

#### 9.6 REBATE CLAUSE (Applicable only if the Sum Insured exceeds R1 000 000)

Included automatically within the wording.

#### 9.7 DEPARTMENTAL CLAUSE

Included automatically within the wording.

#### 9.8 SALVAGE SALE CLAUSE

Included automatically within the wording.

#### 9.9 ACCUMULATED STOCK CLAUSE

Included automatically within the wording.

#### 9.10 ACCOUNTANTS CLAUSE

Included automatically within the wording.

#### 9.11 CONTRACT SITES

Only insured if identified on the corresponding Sasria Material Damage Coupon and their sum insured need to be added on the premium calculation.

#### 9.12 ADDITIONAL PREMISES

Only insured if identified on the corresponding Sasria Material Damage Coupon and their sum insured need to be added on the premium calculation.

### 10. SUPPLIERS AND CUSTOMERS

Sasria will not provide any coverage, to the Insured, for interruption or interference of the Insured's Business arising from any losses suffered by the Insured's Suppliers or Customers.





## **B. COVERAGE PROVIDED BY Sasria SOC LTD.**

The standard Business Interruption insurance provides indemnity to the Insured for their Gross Profit, Fixed Expenses (Standard Charges) and Net Profit. Sasria does include Net Profit in the coverage provided.

**NOTE:** Do not use the Fire Business Interruption Policy Sum Insured when issuing the Sasria **Business Interruption Policy** Schedule. From any Gross Profit Sum insured include the value of the Net Profit to arrive at the Sasria Business Interruption Sum Insured and deduct the CBI Extensions.

Sasria recommends that the Agent, and Broker, when ascertaining the Fire Business Interruption Gross Profit that they obtain the value of the Net Profit (before Tax). This Net Profit value will then be taken off the Gross Profit Sum Insured to arrive at the Sasria Business Interruption Sum Insured when insuring Working Expenses.

## **C. RENT REGULATIONS**

**In terms of the Sasria Business Interruption Policy.**

**Standing Charge basis: mention Rent Payable as a Standing Charge.**

## **D. MULTIMARK REGULATIONS**

### **WAGES BASIS**

Sasria will not provide a WAGES basis of cover. However Wages may be covered:

Working Expense basis: Do not mention Wages as an Uninsured Working Expense, when issuing BI Sasria policy on Working Expenses ( WE).

Standing Charge basis: Wages must be mentioned as a Standing Charge, when issuing BI Sasria policy on Standing Charges (SC).

### **FINES AND PENALTIES**

Sasria will not provide cover for FINES AND PENALTIES.

### **ELECTRONIC EQUIPMENT**

Increase in Cost of Working:

Not insurable with Sasria.

Reinstatement of data/programmes:

Only insurable under the Material Damage Coupon.

Incompatibility cover:

Not insurable with Sasria

## **OTHER SECTIONS OF THE MULTIMARK POLICY**

### **MONEY SECTION**

If the Money Coupon Number is referred to as the Sasria Material Damage Coupon, then a Sasria Business Interruption Policy may be issued. However note that only a loss resulting in interruption and interference of the Insured's Business at the identified premises as a result of the loss of Money, in terms of the Sasria perils, could result in a claim. Very few Insureds would suffer a Sasria Business Interruption claim.

### **GOODS IN TRANSIT SECTION**

Again, only if the Goods in Transit Coupon Number is referred to as the Sasria Material Damage Coupon can a Sasria Business Interruption Policy be issued.

### **BUSINESS ALL RISKS SECTION**

The same comments apply to this Section as the comments made for the Goods in Transit Section.

### **MOTOR SECTION**

No Sasria Business Interruption Policy may be issued following a Motor Claim.



## E. ASSETS POLICIES REGULATIONS

Refer to the Multimark Regulations above, and note the following:

Only the covers referred to above as covered are permissible.

However, if the Assets (or Multi-Risk) Policy includes Marine Cargo Risks it is permissible to issue a Sasria Business Interruption Policy following the Marine Cargo Section.

## F. PERSONAL LINES REGULATIONS

Personal Lines covers, may be issued for Sectional Title complexes where the Body Corporate, or Managers require a Sasria Business Interruption Policy to cover their Standing Charges such as Municipal Charges, Wages, Maintenance Costs etc. This is permitted subject to the following limitations:

- i. The Indemnity Period for Group Scheme risk shall be limited to a maximum period of 24 months.
- ii. A separate Sasria Business Interruption Policy must be issued for each Insured that is not part of a Group Scheme recorded by Sasria.

## G. PROJECT DELAY REGULATIONS (Advance Standing Charges)

The Sasria **Project Delay** cover is provided by the issue of a Sasria Advance Standing Charges Policy.

### 1. REQUIREMENTS OF THE Sasria PROJECT DELAY POLICY:

- 1.1 At the time of any loss a Sasria Contract Works Coupon must respond to the loss.
- 1.2 The total liability of Sasria shall not exceed the Limit of Indemnity stated in the Construction Risks Regulations (R500 million or R550 million in total aggregated during insurance period).
- 1.3 The liability of Sasria in terms of the Sasria Project Delay Policy only commences following the Date of Commercial Operation, as stated in the Schedule, should as a result of a Construction Risks claim the Commercial Operations does not commence on the date stated.
- 1.4 The period of insurance on the Advance Standing Charges Policy must follow that of the Sasria Contract Works Coupon detailed on the specification. Therefore, if the contract period is extended, the period of insurance in respect of the Advance Standing Charges Policy must likewise be extended.
- 1.5 The premium discount scale will apply to the Sasria Project Delay Policy premium but the Sum Insured may not be combined when determining the discount. The discount arrived at by calculating the discount applicable to the Sasria Construction Risks Coupon will be the discount applicable to the Sasria Project Delay Policy premium.
- 1.6 Copies of all Sasria Project Delay Policy Schedules, plus the premium calculation, must be submitted to Sasria in those cases where the discount has been applied.

### 2. INSTRUCTIONS AS TO THE ISSUE OF THE SASRIA PROJECT DELAY SCHEDULE

#### SCHEDULE (Advanced Specified Standing Charges)

**TAX INVOICE (VAT Reg. 4140119340)**

This Coupon becomes a Tax Invoice on payment in full, of the premium reflected

COUPON	NUMBER	YEAR
ASC		

**ASC:** The next Sasria Advanced standing Charges **Policy** number.

**Year:** The calendar year in which the Policy incepts, i.e. the year of the first date of the Period of Insurance.



Replacing Coupon Policy No. (where applicable)

**NOMINATED INSURER:** The name of the underlying insurer, is the Agent.

**UNDERLYING POLICY NUMBER:**

The Policy number of the underlying Policy issued by the Agent.

**BROKER:**

The name of the Insurance Broker.

**THE INSURED NAME:**

The full name of the Insured must be entered. If insufficient space, enter the first name and then add the following: 'and those stated in the attachment.'

Prepare, and attach, a schedule with the following clearly stated:

'THE INSURED, as stated on the Schedule of this Policy is fully recorded hereunder as "XYZ Manufactures (Pty) Ltd; abc Marketing cc; \_\_\_\_\_ for their respective rights and interests, as more fully detailed in the Attached Policy".'

**COMPANY REGISTRATION NUMBER:**

This part is to be completed in the case of commercial/corporate policies. The company registration number of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

**HOLDING COMPANY NAME:**

This part is to be completed in the case of commercial/corporate policies. The holding company name of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

**THE INSURED RISK ADDRESSES:**

Top five risk addresses details (if more than one address is insured) must be supplied.

The details to be supplied are: Street name and number, risk city and postal code.

If not available at inception, the coupon may be issued but must be endorsed within three months from inception

**Note:** the above details must correspond with the details of the Material Damage Coupon

**THE BUSINESS:**

As mentioned, in these Regulations, each and every Business activity of the Insured must be stated here.



If insufficient space, enter the first business and then add the following:  
 ‘and those stated in the attachment’.

Prepare, and attach, a schedule with the following clearly stated:

‘THE BUSINESS of the Insured is stated in full herein, as: \_\_\_\_\_’

**THE PEREMISES:**

“All premises as defined in the corresponding Sasria Material Damage Coupon, owned or occupied by the Insured for the purpose of the Business situate in the Republic of South Africa.”

**THE ITEMS:**

As detailed in the Specification attached hereto which is declared to be incorporated in and to form an integral part of this Schedule.

**Total Sum Insured: R**

Subject to the Aggregate Limit of Liability stated in the Proviso of this Policy. The Insured relative to South Africa only.

**MAXIMUM INDEMNITY PERIOD \_\_\_\_\_ Months**

The number of calendar months that this Policy will provide an indemnity to the Insured.

**PERIOD OF INSURANCE:**

From \_\_\_\_\_ To 24h00 on \_\_\_\_\_

The full period as recorded in the Sasria Material Damage Coupon, must be entered here.

If the POLICY is being issued after 30 days of the first date then enter the date issued.

**PREMIUM:**

R The above premium is inclusive of Value Added Tax at the standard rate.

Refer to the Regulations before entering an amount here.

**DATE OF COMMERCIAL OPERATION:**

The date on which the cover provided by this Policy commences being \_\_\_\_\_  
 or such other date as may be agreed with Sasria.

Those Agents and Brokers who issue a non-Sasria Project Delay Policy will understand the meaning of this date. Should you require any information concerning this coverage, please refer to the Agents Contract Works Underwriters.



**LIST OF INSURED STANDING CHARGES** EXPLANATORY NOTE:

An insurable Standing Charge is:

- i. a business expense which might not diminish proportionately with a reduction in Turnover if there is interruption or interference with the business by any of the contingencies insured against; or
- ii. any variable charge which it would be desirable to continue in the interest of the business.

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Any errors made on the Schedule, at the time of issue or before signing, should result in the Schedule being cancelled and a new Schedule issued.

## H. PREMIUM RATES

The premium is calculated by applying the following rates to the Sum Insured:

**1. Commercial Risks** as per rate F2 of the Sasria Material Damage Regulations

Indemnity Period	Annual Premium Rate
12 Months	0,0640%
15 Months	0,0610%
18 Months	0,0581%
24 Months	0,0552%
30 Months	0,0523%
36 Months	0,0494%
48 Months	0,0465%
60 Months	0,0436%

**Additional Increase in Cost of Working: above rates PLUS 50% (not permissible on Group Schemes) Minimum Premium R50.00 per annum**

**2. Domestic Risks** as per rate F1 of the Sasria Material Damage Regulations

Indemnity Period	Annual Premium Rate
12 Months	0,00363%
15 Months	0,00313%
18 Months	0,00293%
24 Months	0,00222%
30 months	0,00161%
36 Months	0,00121%
48 Months	0,00076%

**Additional Increase in Cost of Working: above rates PLUS 50% (not permissible on Group Schemes) Minimum Premium R50.00 per annum**



### 3. Group Schemes

#### 3.1 Commercial Group Schemes

Indemnity Period	Annual Premium Rate	Monthly Premium Rate
12 Months	0,0640%	0,00640%
15 Months	0,0610%	0,00610%
18 Months	0,0581%	0,00581%
24 Months	0,0552%	0,00552%
	Minimum Premium R50.00	Minimum Premium R5.00

#### 3.2 Domestic Group Schemes

Indemnity Period	Annual Premium Rate	Monthly Premium Rate
12 Months	0,00363%	0,000363%
15 Months	0,00313%	0,000313%
18 Months	0,00293%	0,000293%
24 Months	0,00222%	0,000222%
	Minimum Premium R50.00	Minimum Premium R5.00

### 4. Project Delay Policies (Advance Standing Charges)

Indemnity Period	Annual Premium Rate up to:
12 Months	0,0640%
15 Months	0,0610%
18 Months	0,0581%
24 Months	0,0552%

Minimum Premium R50.00 per annum