



PROPOSAL FORM

MULTI-RISK LIABILITY INSURANCE FOR SECURITY COMPANIES

IMPORTANT - PLEASE READ BEFORE COMPLETING THIS PROPOSAL FORM

1. The Proposal, together with other information requested by or provided to the Insurers, is required to assist in the evaluation and rating of the risk resulting in the provision of Quotations. Completion of the Proposal does not bind the Proposer or the Insurers to complete the insurance transaction.
2. As the Proposal will form the basis of any insurance contract that may subsequently be issued by the Insurers, it is imperative that all Questions be answered in full and to the best of the knowledge and belief of the Proposer – misrepresentation and/or non-disclosure may result in the rejection of claims and/or invalidate the Policy.
3. Should there be insufficient space provided herein, please supply any additional information on separate pages.
4. “Not Applicable” and “N/A” are not suitable responses. **All Questions must be completed in full.**
5. An OFFICIAL Quotation cannot be provided unless all questions have been answered and the **Proposal Form signed and dated.**
6. A full and properly INITIALLED copy of the Proposal Form is required in order for cover to be bound.
7. Please ensure that all responses are clear and legible.
8. **In the event that the Proposer elects not to respond to a Question or specifically request cover in respect of any Section and/or Extension, it will be deemed that cover or a Quotation to include cover is not required.**
9. The completion of this form and the provision of a Quotation and any additional information applicable to the provision of a Quotation, shall not be deemed to be the provision of advice.

Tradeforth 6 (Pty) Limited trading as Abelard Underwriting Agency
Registration No 1996/008912/07
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F.A.I.S. Compliance Details
FSP Licence Number: 28
Compliance Practice: Associated Compliance
FSB Practice No: 6377
Compliance Officer: Peter Veal





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10. Should any further/additional information, explanation or advice be required in respect of the product, terms cover etc, this should be sought from an insurance broker.
11. Any form completed and/or signed by an insurance broker on behalf of the Proposer will be deemed to have been completed by the Proposer.
12. **Please do not tick or cross response boxes or leave them blank, where applicable, respond either "Yes" or "No"**
13. The Proposal Form should not be signed and initialled unless read and understood. Insurers will consider all signed and initialled Proposal Forms as having being read and understood

**PART 1
GENERAL INFORMATION**

1. NAME(S) OF COMPANIES TO BE INSURED (“THE PROPOSER”)

Only those Companies named will be insured. Please, therefore, ensure that the names of all companies to be insured, including Property Owning Companies, if applicable, have been included.

It is also imperative that the Policy reflect the full and correct legal entities to be insured, ie **“Limited”**, **“(Pty) Limited”**, **“CC”**, **“trading as”** or **“Sole Trader”**. Please ensure that the response below reflects the correct full legal entity as registered in terms of the Companies Act and per the PSIRA register.

Item	Name	Telephone	Fax
1			
2			
3			
4			
5			
6			

2. COMPANY REGISTRATION DETAILS:

Item	Company Registration No	VAT Registration No	PSIRA Registration No
1			
2			
3			
4			
5			
6			

3. DATE OF COMMENCEMENT OF BUSINESS: _____
(1st trading day not date of registration, unless same)

4. REGISTERED ADDRESS OF HEAD OFFICE: _____

Postal Code: _____

5. POSTAL ADDRESS: _____

Postal Code: _____

6. ADDRESSES OF PREMISES OWNED AND/OR OCCUPIED BY THE PROPOSER

Please provide addresses of those premises from which the Proposer conducts its business e.g. head office and branches, NOT THE CONTRACT SITES OF THE PROPOSERS CLIENTS.

- (a) _____
- (b) _____
- (c) _____
- (d) _____
- (e) _____

7. ANNUAL TURNOVER ACHIEVED FOR THE LAST THREE FINANCIAL YEARS OF BUSINESS:

Year	Period		Turnover
	From	To	
1			
2			
3			

8. ESTIMATED (BUDGETED) ANNUAL TURNOVER (INCLUDING VAT) FOR THE NEXT TWELVE MONTHS:

(Refer to Information Notes 1 and 2 at the end of this Proposal)

Turnover: The amount of money the company gets from the provision of services/sales before expenses

Service Contracts	With Firearms	Without Firearms
Warden Services, Access Control & Goods Despatch	R	R
Special Event Security Services	Not Applicable	R
Alarm Monitoring and/or Response	R	R
Escort Services - Banking & Payroll Services	R	Not Applicable
Escort Services - Other Goods	R	R
Bodyguards	R	R
Undercover Agents	R	R
Security Consultancies	Not Applicable	R
Training Centres	R	R
Medical Response/Ambulance Services	Not Applicable	R
Supply, Installation & Maintenance of Detection, Access Control & Alarm Systems	Not Applicable	R
Other Security Services (please describe below)	R	R
Total Estimated Annual Turnover	R	R

Description of "Other Security Services".

NOTE, "GUARDING"/"GUARDS" ARE VERY GENERAL TERMS. THEY DO NOT PROVIDE ANY DETAIL OF THE ACTUAL SECURITY SERVICES SUPPLIED. THE USE OF EITHER OF THESE TERMS WILL RESULT IN OUR QUERYING THE SERVICES AND A DELAY IN SUBMITTING TERMS

9. STAFF COMPLEMENT:

- a) Please breakdown the current Security Staff complement (figures, not percentages) into the Grades of Security Officers as determined under the provisions of the Basic Conditions of Employment Act, Sectoral Determination 6: Private Security Sector (as amended)

Grade A	Grade B	Grade C	Grade D	Grade E	Total

- b) In addition, in respect of the current Staff complement, please advise:

- i) Number of Security Staff employed under full time Contracts: _____
- ii) Number of Security Staff employed on a part time/relief basis: _____
- iii) Number of Staff contracted for Special Events: _____
- iv) Number of Independent Contractors: _____

10. STAFF EMPLOYMENT AND TRAINING

Kindly provide a "Yes" or "No" response, please do not leave blank.

- (a) Please indicate your normal Employment Practice:

	Yes/No
(i) Do you retain, in the Employee records, a copy of the original Registration Certificate issued by PSIRA?	
(ii) If the answer to (i) is "No", or if the Employee is not in possession of the original Registration Certificate, do you obtain a certified copy from PSIRA?	
(iii) If an applicant for employment is in possession of an original Registration Certificate, do you confirm such registration with PSIRA?	
(iv) Do you investigate and confirm previous employment records of applicants for employment?	
(v) Are all staff required to undergo regular Refresher Training and records thereof retained in Personnel Files?	

- (b) It is a requirement of the insurance that all Staff be trained in institutions/facilities accredited by SASSETA and/or PSIRA?. Please confirm the institution(s) utilised by the Proposer:

Item	Institution/Facility	Accredited Yes/No
1		
2		
3		
4		

11. CONTRACT SITES

For the purposes of a profile of the Sites to which Security Services are provided, please indicate an approximate percentage split in your current Contracts, **based on allocation of Security Personnel**, into the following Categories:-

	Category	%
(i)	Jewellers, Banks, Mines, Computers and other Electronic Goods Manufacturers and Suppliers	
(ii)	Motor Vehicle Manufacturers and Suppliers	
(iii)	Shopping Centres and Office Premises	
(iv)	Other Industrial Premises	
(v)	Domestic Accommodation, including Residential Estates	

12. PREVIOUS INSURANCES:

Kindly provide a "Yes" or "No" response, please do not leave blank.

(A) In respect of Liability Insurance		Yes/No
(i)	Has the Proposer previously/currently been insured?	
(ii)	Name of previous/current Insurer:	
(iii)	Has any previous/current Insurer required increased Premiums or terms?	
(iv)	Has any previous/current Insurer required special restrictions or Conditions?	
(B) In respect of all Classes of Insurance:		
(i)	Have any Insurers declined to provide insurance?	
(ii)	Has any previous/current Insurer cancelled or declined to renew any Insurance?	

If any answer to questions A (iii) and (iv) and B (i) and (ii) is "Yes", please provide full details:-

13. CLAIMS DETAILS:

(a) Please provide details of all claims made against the Proposer, **whether or not insured**, over the past five years:

(b) Is the Proposer aware, **after enquiry**, of any circumstances which may subsequently give rise to a claim or claims being made against them, **whether or not insured**? (Yes/No) _____

If the answer to this Question is "Yes", please provide full details:

14. MONTHLY PREMIUM PAYMENTS & DEBIT ORDER AUTHORITY

Facilities are available for Premiums to be paid Monthly. Should the Proposer request agreement from Insurers for such Monthly Premium payments, an Abelard Debit Order Authority must be completed.

Please refer Information Note 12 for conditions applicable to Monthly Premiums

15. PSIRA REGISTRATION

It is a prerequisite of the insurance that the Proposer is registered in accordance with the Private Security Industry Regulations Act No 56 of 2001 (as amended). Please attached a copy of your Registration Certificate(s) and ensure that such Certificate(s) reflects the legal entity(ies) for which this Proposal for Insurance is submitted.

16. DECLARATION AND SIGNATURE

The answers given above, and in Part 2 of this Proposal, represent the true position, to the best of my knowledge and belief, and I agree that they shall form the basis of the contract of insurance proposed, should such contract be effected.

Signed at _____ this _____ day of _____ 20 ____

For and on behalf of the Proposer

Name of Authorised Signatory: _____

Position held: _____

Signed: _____

**PART 2
REQUIRED COVER**

IMPORTANT NOTICE

The indemnity provided is subject to the terms, exclusions, conditions and limitations of the Liability Policy issued. Explanations hereunder, together with the attached Information, are provided only to assist the Proposer to gain a general understanding of the cover and should not be deemed to be advice. The following Sections follow the Sections as will be contained in the Liability Policy when issued.

- (A) Please refer to the Information at the end of this Proposal, which provides a brief description of cover in terms of the undernoted headings. If an Estimated Annual Turnover has been included under Question 8 above to any relevant Section or Extension thereto, details must be provided in Part 2, notwithstanding that the Proposer may not require such cover
- (B) Unless otherwise stated, the indemnity provided applies only in respect of the Proposer's legal liability to pay compensation in respect of claims for and/or arising out of Third Party Injury and/or Damage. For the purposes of the insurance:-
 - (i) "Injury" means death, bodily injury, illness or disease of or to any person
 - (ii) "Damage" means loss of possession or control of or actual damage to physical property
- (C) The indemnity is provided on a "Claims Made" basis, ie claims first made against the Insured during the Period of Insurance arising out of an insured event occurring on or after the Retroactive Date of cover.
- (D) Except where otherwise indicated, the Indemnity Limits applicable to any Extension are "inclusive in" and not "in addition to" the Indemnity Limit applicable to the Section itself. Consequently, the Indemnity Limits required for any Extension may be lower than, but not greater than, the Indemnity Limit applicable to the Section itself.
- (E) For the purposes of the insurance to be provided, the following applies:-
 - (i) Indemnity Limit "Per Claim" means any one claim or series of claims arising from one originating cause
 - (ii) Indemnity Limit "Per Period" means total amount of Insurers' liability in respect of all claims during the Period of Insurance
- (F) An Excess will be applicable to each and every claim, or series of claims arising out of one originating cause and may be deemed "Costs Inclusive. Reference should be made to Information Item 4 in this respect

POLICY SECTION A – GENERAL PUBLIC LIABILITY

The indemnity provided by this Section is for the general running of the Business, including Property Owners and Tenants Liability, but excludes cover provided in terms of any other Section below. **The cover is automatically included** and the Indemnity Limit “Per Claim” to be provided will follow the Indemnity Limit “Per Period” applicable to Policy Section D – Security Claims. The Indemnity Limit “Per Period” is Unlimited.

1. Automatic Extensions to Section A:

The following Extensions are **automatically included**:-

- (a) **Statutory Defence Costs** in respect of legal costs incurred, with the consent of the Insurers, in the defence of any criminal action brought against the Proposer in terms of any statute governing the conduct of the Business, other than statutes relating to Motor, Labour or the Companies Act

Indemnity Limits: R100.000 “Per Claim” and “Per Period”

- (b) **Defamation** in respect of the legal liability of the Proposer for claims arising out of defamatory statements made by the Proposer. Cover excludes Defamation arising out of the provision of any Security Service, which falls under the Security Claims Section of the Policy. For the purposes of this Extension only, the definition of “Injury” is extended.

Indemnity Limits: R100.000 “Per Claim” and “Per Period”

2. Optional Extensions to Section A:

The following Extensions, which may attract an Additional Premium, will only be included in the insurance if so required by the Proposer:

- (a) **Employers Liability Extension** in respect of the liability of the Proposer’s for Injury to its Employees in the course and scope of their duties. Cover excludes Industrial Illness, Asbestos related diseases and amounts payable in terms of C.O.I.D.

Please advise if cover is required (Yes or No): _____

POLICY SECTION B – POLLUTION LIABILITY

The indemnity provided by this Section is in respect of claims arising out of Pollution, where such Pollution arises out of a specific and identifiable event occurring during the Period of Insurance, ie gradual Pollution is excluded. **Cover is automatically included** and the Indemnity Limit, which is applicable “Per Claim” and “Per Period” will follow the “Per Claim” Limit applicable to Policy Section A above.

POLICY SECTION C – PRODUCTS LIABILITY

The indemnity provided by this Section is in respect of claims arising out of the Proposer’s liability for the Supply, Installation or Maintenance of Detection, Access Control or Alarm Systems, but excludes Product Guarantee and Product Recall.

- (a) Please advise if cover is required (Yes or No): _____
- (b) Please advise required Indemnity Limit: “Per Period”:..... R _____
(Note: This Limit may not exceed that applicable to Section A above)
- (c) Does the Proposer manufacture or assemble any components to the systems?: (Yes or No) _____
If "Yes", where such Products are manufactured/assembled by the Proposer under Licence, please provide copies of the Licence Agreements and specify the Products.
- (d) Are the components to the systems manufactured by others? (Yes or No)..... _____
If "Yes". And where such Products are manufactured/assembled by others under Licence from the Proposer, please provide copies of the Licence Agreements and specify the Products
(Note: It is a condition precedent to the liability of the Insurers that the Proposer retains full rights of recourse against persons or parties supplying or otherwise providing a service to or on behalf of the Proposer)
- (e) Does the Proposer design any of the Systems, or Components thereof? (Yes or No) _____
If "Yes", does the Proposer operate a Research and Development Department? _____
Please provide relevant details and qualifications of all personnel on separate sheet.

Please provide details below of all Products manufactured, assembled, sold, supplied, serviced, treated or altered by the Proposer, together with Anticipated Failure Rate and Estimated Turnover for the next twelve months.

The following should be noted:-

- (i) "Anticipated Failure Rate" shall mean that percentage of Annual Turnover incurred by the Insured in the cost of "guarantee" replacement of Products or Work done.
- (ii) "Design" refers to the design of Components and Stand-alone Products and not to the design of any System incorporating such Components/Products.

Table I Products designed & manufactured by the Proposer:

Description of Product	Anticipated Failure Rate	Estimated Annual Turnover
	%	R
	%	R
	%	R
	%	R

Table II Products manufactured/assembled by the Proposer – no design:

Description of Product	Anticipated Failure Rate	Estimated Annual Turnover
	%	R
	%	R
	%	R
	%	R

Table III Products sold, supplied or distributed by the Proposer – no design or manufacture/assembly:

Description of Product	Anticipated Failure Rate	Estimated Annual Turnover
	%	R
	%	R
	%	R
	%	R

If any new Products, which are not included above, are contemplated by the Proposer during the next twelve months, please provide details below and advise which category of Tables I, II or III above applies.

Description of Product	Category	Estimated Annual Turnover
		R
		R
		R
		R

If the Proposer exports any Products, please provide details below. "Representation" in the Country of destination concerned means Branch, Subsidiary Company, Agency, etc..

Description of Product	Country of Destination	Representation	Estimated Annual Turnover
			R
			R
			R
			R

POLICY SECTION D – SECURITY CLAIMS

The indemnity granted by this Section is in respect of “Security Claims” being claims arising out of or in connection with or during the active provision of any Security Services, as defined in the attached Information Item 2. The Basic Security Liability cover applies in respect of:-

- (a) Damage to property in the care, custody or control of the Proposer, or which would, but for the failure by the Proposer to provide the necessary Security Personnel, be in the care, custody or control of the Proposer
- (b) Wrongful Arrest (as defined) of any person by Security Personnel in the carrying out of their duties

Please advise Indemnity Limits required under **Section D:** “Per Claim” R _____
 “Per Period” R _____

- (c) The following sites are subject to special underwriting considerations, and cover may automatically exclude such Sites. Please indicate if you provide any Security Services in respect thereof:-
Kindly provide a “Yes” or “No” response, please do not leave blank.

	Yes/No
(i) Airports and Airfields.....	_____
(ii) Motor Vehicle Storage Facilities.....	_____
(iii) Casinos.....	_____
(iv) Forestry, Farms, Game Farms and the like.....	_____
(v) Warehousing Stock Control and/or logistics.....	_____
(vi) Retail Stores.....	_____
(vii) Taxi Ranks.....	_____

1. Automatic Extensions to Section D:

The following Extension is **automatically included**:-

- (a) **Negligent Advice** in respect of the liability of the Proposer for claims arising out of any incorrect or inadequate advice or information of a technical nature given in the promotion of the Insured's Products or services, but not where such information etc. is provided in exchange for any fee or other consideration or is an essential part of a revenue earning activity.
 Indemnity Limit: Inclusive in the Indemnity Limits for Section D

2. Optional Extensions to Section D:

The following Extensions, which attract an Additional Premium, will only be included in the insurance if so required by the Proposer:

- (a) **Firearms Extension** in respect of claims arising out of the ownership, possession or use of firearms. Reference should be made to Information Item 5, in respect of the conditions applicable to this Extension.

(i) Please advise if cover is required (Yes or No):..... _____

(ii) Please advise required Indemnity Limits: "Per Claim".. R_____ "Per Period" R_____

(Note: These Limits are inclusive in the Limits applicable to Section D and, therefore, may not exceed such Section D Limits)

(iii) Please provide details of Training Facilities used and confirm that such facilities are accredited with the SASSETA/PSIRA.

Item	Institution/Facility	Accredited	
		Yes	No
1			
2			
3			

(b) **Fidelity Risk Extension** in respect of claims arising out of the theft of property on or in the vicinity of the Contract Site by Security Personnel, including collusion thereto, whilst carrying out their duties in terms of the Contract. The indemnity provided by this Extension does not apply to the claims which form the subject of the Money-In-Transit Extension below. Reference should be made to Information Item 6, in respect of the conditions applicable to this Extension.

(i) Please advise if cover is required (Yes or No):..... _____

(ii) Please advise required Indemnity Limit: "Per Period":R_____

(Note: Limits available for this Extension are R250.000 and R500.000)

(c) **Money-In-Transit Extension** in respect of claims for loss of Money (as defined) whilst under escort or being transported by the Proposer. This Extension is not designed for those Security Contractors specialising in Cash-In-Transit and Bullion Contracts, ie cover is designed for those risks where the protection of Money can be considered and "add on" to guarding services. Reference should be made to Information Item 7, in respect of the conditions applicable to this Extension.

(i) Please advise if cover is required (Yes or No):..... _____

(ii) Please advise required Indemnity Limit: "Per Claim": R_____ "Per Period":..... R_____

(Note: Limits available for this Extension are R100.000 "Per Claim" and R250.000 "Per Period", alternatively, R250.000 "Per Claim" and R500.000 "Per Period". Please note that any single transit where the amount at risk exceeds the "Per Claim" Limit selected is deemed to be an excluded risk.

- (iii) Do you provide an escort service only to your Clients' vehicles/personnel? _____
- (iv) Do you transport the Money in your own vehicles?.. _____
If "Yes", are Specialized CIT Vehicles utilized? _____
- (v) Do you move money for multiple Clients at the same time? _____
- (vi) What is the maximum "Vehicle" exposure at any one time? R _____
- (vii) What is the maximum "Pavement" exposure at any one time? R _____

(d) **Special Event Security Services Extension** in respect of claims arising out of Special Event Security Services. Reference should be made to Information Item 8, in respect of the conditions applicable to this Extension.

(Note:It is a condition precedent to the liability of the Insurers that the Proposer shall comply with the Disaster Management Act 57 of 2002, Safety at Sports and Recreational Events Act No 2 of 2010 and all other legislation governing Special Events)

- (i) Is cover required for this Extension? (Yes or No) _____
- (ii) Indemnity Limits - Inclusive in the Indemnity Limits for Section D
- (iii) Please provide the details below, of the Types of Events, Venues and Duties/Services applicable to those Events for which this Extension is required.

Type of Event	Type of Venue	Duties/Services

POLICY SECTION E – PROFESSIONAL NEGLIGENCE

The indemnity granted by this Section is in respect of claims arising out of any negligent act, error or omission committed by the Insured in the execution and conduct of the professional activities of the Insured as **Security Consultants and/or Security Personnel Training Centres**. Refer Information Item 2(B).

- (a) Please advise if cover is required (Yes or No): _____
- (b) Please advise required Indemnity Limit:..... "Per Period":..... R _____
(Note: This Limit may not exceed that applicable to Section D above)

2. Optional Extensions to Section E:

The following Extensions, which attract an Additional Premium, will only be included in the insurance if so required by the Proposer:

(a) **Medical response and Ambulance Services** in respect of claims arising out of such Services. Please note that Section E will need to be covered in order for this Extension to apply and an Indemnity Limit must be entered in (b) above.

(i) Please advise if cover is required (Yes or No):..... _____

(ii) Please provide details of the Training Facilities:

Item	Institution/Facility
1	
2	

INFORMATION

Whilst this information need not be returned to Insurers for Quotation purposes, it will be deemed to form part of the Underwriting Information provided and is also designed to assist the Proposer in the understanding of the cover to be provided and in the completion of this Proposal Form. Nothing herein will over-ride or amend the terms, exclusions, conditions and limitations of the Insurance Policy

General

1. Turnover:

For the purposes of calculating an equitable Premium, the Estimated Turnover for the forthcoming twelve months must be allocated to the various categories shown in the Table under Question 8. Please ensure that the Turnover amounts entered are inclusive of Value Added Tax and represent the amounts budgeted for in the various Categories of Contract for the next 12 Months.

2. Security Services

For the purposes of the insurance provided, and to assist in the completion of the Turnover breakdown in Question 8:-

(A) For the purposes of the indemnity provided by Section D – Security Claims:

- (i) "Warden Services" shall mean the provision of Static (stationed on a Contract site) Guards and Dogs at Domestic, Commercial and Industrial Premises.
- (ii) "Access Control" shall mean the control of access to and exit from Commercial and Industrial Premises.
- (iii) "Goods Despatch" shall mean the inspection and confirmation of goods leaving Commercial and Industrial Premises.
- (iv) "Special Event Security Services" shall mean contracts for General Security, Access Control, Parking, Crowd Control and VIP/Close Protection Services in respect of individual exhibitions, sports meetings, concerts, conferences and events of a similar nature
- (v) "Control Centre Monitoring and Response to Alarm Systems" shall mean contracts for the monitoring of and response to the activation of alarm systems.
- (vi) "Escort Services" shall mean the provision of security personnel in the escort of persons or vehicles carrying money or other goods.
- (vii) "Bodyguards" shall mean contracts solely for the protection of specified persons.
- (viii) "Undercover Agents" shall mean the activities of the Proposer in covert investigations

Where the Services provided by the Proposer include any other Services not included above, or form part of the Professional Indemnity Section, the amount should be entered under "Other Security Services" and a description of the relevant Services provided.

(B) For the purposes of the indemnity granted by Section E – Professional Indemnity

- (i) "Security Consultants" shall mean the provision of such consultancies as a revenue earning activity of the Proposer, ie in exchange for a fee.
- (ii) "Training Centres" shall mean the provision of security training to outside personnel as a revenue earning activity of the Proposer.
- (iii) Medical Response and Ambulance Services shall mean the provision of First Aid Response and Paramedical Ambulance Services (applicable only if the Extension is granted). However, it should be noted that cover provided is for Paramedical Risks only and does not include full Professional Indemnity applicable to Doctors, Specialists, Nurses, etc.

3. General Exclusions

The following General Exclusions should be noted as uninsured risks:-

- (i) Prior Events, ie claims arising out of incidents occurring prior to the inception Date of Cover
- (ii) Retroactive Date, ie claims arising out of incidents occurring prior to the Retroactive Date. The Retroactive Date will, except in the case of a Renewal Policy, be the Inception Date of Cover. **Please ask your Broker to explain the Retroactive Date particularly in conjunction with the cover being provided on a "Claims Made" basis .**
- (iii) Fines, Penalties and Performance Warranties
- (iv) Punitive and Exemplary Damages
- (v) War and Terrorism
- (vi) Nuclear Risks
- (vii) Asbestosis
- (viii) Dishonest, Criminal or Illegal Acts, except in respect of the Fidelity Risks Extension
- (iv) Contractual Liability – liability attaching to the Insured in terms of any contract or agreement which liability would not attach in the absence of such contract or agreement.

Section D – Security Claims

4. The Excess:

The Excesses applicable to claims which form the subject of Section D - Security Claims and Section E – Professional Indemnity, and the applicable Extensions thereto, are deemed to be "Costs Inclusive". This means that, on notification of a claim or any incident likely to give rise to a claim, Insurers will appoint an Assessor or Attorney, or both, as the circumstances dictate, and these costs will be applied to the Excess in the following manner:-

- (i) Assessors and Attorneys appointed by Insurers will submit their Fee Accounts directly to Insurers. The Insured will be requested to settle the Accounts "within Excess" directly to the Service Provider and confirm such settlement to Insurers. For the purposes of any Input VAT Recoveries by the Insured, Insurers will be deemed to be the "Agents" of the Insured, in terms of Section 54 of the Act, and all relevant documentation required by the Act will be provided to the Insured.
- (ii) Should the Insured fail to timeously honour its obligation in terms of the Excess, Insurers will settle all Assessors and Attorneys accounts on their behalf and request reimbursement from the Insured.

Failure by the Insured to honour its obligations in terms of the Excess is considered in a serious light by the Insurers and is treated as a “moral risk” and, the following steps will be instituted:-

- (a) Any current Policy in force will be cancelled immediately, in terms of the Policy Conditions**
- (b) Should any recoveries be outstanding at expiry of any current Policy, renewal thereof will be declined.**
- (c) Such outstanding debt will be listed with ITC**
- (d) The Insured will be registered on the “Declined List”, which must be disclosed to all other Insurers, irrespective of Class of Insurance required.**

Whilst it is accepted that not all incidents will give rise to claims, or that there may be a fairly good defence to any claim, or that the circumstance may not be insured, in order for Insurers to decide whether or not an Assessor and/or Attorney should be appointed, and therefore avoid incurring unnecessary expense, the Insured is requested to provide Insurers with relevant details as soon as it becomes aware of any incident. The decision to investigate and/or defend any claim, rests with Insurers and, where sufficient information is not forthcoming, Insurers must appoint Assessors and/or Attorneys in order to protect the interest of the Insured, and the Insurers.

The Insured should be aware that it is possible, therefore, that costs may be incurred in respect of claims which, after investigation, may not be insured, may be finalised, inclusive of all costs, for amounts less than the applicable Excess or which may be successfully rejected to the Third Party. In such cases, the Insured shall remain liable for all costs incurred “Within Excess”.

The “Excess Payments Clause”, where applicable, provides Insurers with security against the possibility that the Insured may not be able to meet its obligations in terms of the Excess. The Insured may, therefore, at the time of notification of a claim, or circumstances likely to give rise to a claim, be requested to provide Insurers with adequate security, in the form of a Bank Guarantee or other acceptable means, for reimbursement of all amounts paid by Insurers on their behalf and which amounts are for the account of the Insured in terms of the Excess. If the requested guarantee is not submitted, Insurers will treat the claim as “withdrawn” and will have no liability in respect thereof.

5. Firearms Extension:

Where cover is provided in terms of this Extension, the following should be noted:-

- (i) The following Conditions are precedent to the liability of the Insurers to provide indemnity under the insurance and failure to comply with such Conditions may result in the claim being rejected:-
 - (A) All Armed Security Personnel:-
 - (1) must be registered under Grades A, B, C or D of the Basic Conditions of Employment Act, Sectoral Determination 6: Private Security Sector (as amended) – no cover will be granted to Grade E Guards
 - (2) must have undergone relevant training in both the use of the firearm being used and relevant legal aspects to the standards required by the PSIRA and must undertake Practical Evaluation Refresher Courses every six months with a 80% success rating. Records of these courses must be retained in the Personnel File.

- (B) The Insured shall at all times comply with all the provisions of all legislation governing the conduct of the Business, including, but not limited to:-
 - (1) the Private Security Industry Regulatory Act 56 of 2001 (as amended)
 - (2) the Firearms Control Act No 60 of 2000 (as amended)or any legislation passed in replacement thereof.
- (C) In the event of the discharge of a firearm, or any incident likely to give rise to a claim, the Insured shall:-
 - (1) report the incident to the Police as soon as reasonably possible
 - (2) immediately advise the Insurers and, as soon as reasonably possible, provide the Insurers with a copy of the relevant Police Report. Should any criminal action be instituted against the Security Personnel involved, details of such action should also be advised to Insurers for record purposes.
- (ii) All firearms issued by the Insured to Security Personnel for the purposes of carrying out their duties must be returned to the Insured as soon as possible after the completion of his tour of duty. No cover is granted in respect of off-duty incidents.
- (iii) No indemnity is granted in respect of claims arising out of the use of automatic firearms.

6. Fidelity Risks Extension:

Where cover is provided in terms of this Extension, the following should be noted:-

- (i) Cover is provided for the liability of the Employer (the Insured), and not to the Employee
- (ii) Cover only applies to Employees who:-
 - (A) were over the age 21 at the time of the loss, and
 - (B) have been in the employ of the Insured for a period of at least 12 months, or, alternatively, employed in the Security Industry for an uninterrupted period of three yearsWhere a loss involves both insured and uninsured Employees, the amount of indemnity available, after application of the Excess, will be proportional to the number of employees insured and uninsured.
- (iii) No cover is provided in respect of:-
 - (A) any Principal, Director or Member of the Insured
 - (B) Contracts for the Escort of Money and/or Goods
- (iv) The Insured will be required, at their own expense and as a condition precedent to Insurers' liability under the insurance, to pursue criminal charges against the Employees involved.

7 Money-in-Transit Extension:

Where cover is provided in terms of this Extension, it should be noted that, as this Extension is not designed for specialist Cash-In-Transit Service Providers, the provision of the Service by the Insured is "to improve the risk", not to "carry the risk". Consequently, the cover should not be seen as an alternative to the responsibility of the Client to insure the Money. In the event of a loss, the onus will rest on the Client, or it's Insurers, to prove that the loss was caused by the negligence of the Insured's Security Personnel.

8 Special Event Security Services:

Where cover is provided in terms of this Extension, the following should be noted:-

- (i) All "Employees" must wear vests, or other apparel, identifying them as employees of the Insured.
- (ii) No cover is provided for claims arising out of the use of Firearms, other than for VIP/Close Protection Services
- (iii) No cover is provided for claims arising out of the use of teargas or similar crowd control substances.
- (iv) Any Employee carrying out any Security Services as contemplated by Security Legislation must be registered in terms of such legislation.

9. Special Provisions/Conditions

- (i) No keys, except those necessary for the purposes of the Services, should be available to the Security Personnel. The Client must be advised accordingly.
- (ii) Where the Contract Site comprises a showroom or car lot, to which the public may have after hours access, must be protected by the Client in such a manner that removal of a vehicle will result in damage to the vehicle.
- (iii) All Monitoring Control Centres must be to S.A.I.D.S.A. standards, whether or not the Insured is a Member of that Association, as this will provide Insurers with reasonable proof in the event of a claim.
- (iv) All Personnel, who it is suspected may have an involvement in a loss, will be subjected to polygraph tests and the results thereof will be treated as prima facie evidence of their involvement, or otherwise, in the loss. **The Contract Conditions should be amended to ensure obligation on the Client to also subject any suspected employee to polygraph tests.**

10. Excluded Risks:

The following constitute uninsured risks:-

- (i) Non-Registered Security Personnel – the Insured and all Security Personnel must be registered with PSIRA.
- (ii) Non-uniformed Security Personnel
- (iii) Unauthorised use of motor vehicles in respect of damage to such vehicles occurring off the Security Site
- (iv) Free Range Dogs, ie dogs which are not under the control of a Handler
- (v) Undercover Agents, except in respect of the provision of non-uniformed personnel as Store Detectives for the sole purpose of preventing or detecting shoplifting or stock shrinkage - cover for this risk is provided under Warden Services.
- (vi) Escort Services in respect of the vehicles, personnel and/or Goods/Money under escort, whether in the Insured vehicles or otherwise – cover only applies to claims arising out of Injury or Damage suffered by innocent Third Parties.

The following Risks are specifically excluded, but cover can be granted, subject to the provision of full Underwriting Information provided by the Insured:-

- (i) Contracts at any Airport or Airfield

General Notes

The following information is provided in respect of the cover provided and expectations of Insurers:

11. Contract Conditions:

The Contractual Liability Risk is excluded. However, in order to reduce any problems in this respect, Insurers suggest that the Insured's Standard Conditions of Contract contain Clauses to the undernoted effect, and that these Clauses should be referred by the Insured to their own attorneys to ensure that they reflect intention and are legally enforceable.

- (i) Exclusion of any off-set by the Client of any Services Fees against amounts the Client believes is owed to it by the Insured. By withholding payment of Service Fees, the Client will have, effectively and under Contract, indemnified itself and there will be no claim for the Insured, or Insurers, to defend.
- (ii) Limitation of Liability, whereby the Insured restricts its liability to amounts payable by the Liability Insurance.
- (iii) Declaration and agreement by the Parties that:-
 - (1) The sole object and function of the Security Service and Security Personnel provided by the Contractor is to prevent or minimise the risk of loss or damage to property and injury to persons by fire, theft, burglary or vandalism and the Contractor gives no warranty or guarantee that its Security Personnel will be able to prevent or minimise such loss, damage or injury.
 - (2) The Contractor and its Security Personnel shall not be liable to the Client or any Third Party for death of or injury to or illness sustained by any person (hereinafter referred to as "Injury") or loss of or damage to property (hereinafter referred to as "Damage") whether direct or consequential and howsoever caused and the Client will indemnify and hold harmless the Contractor and its Security Personnel in respect of all claims arising out of any such Injury or Damage unless and only to the extent that it can be proven that such Injury or Damage shall have been caused by the negligence of or disregard of duties by the Contractor or its Security Personnel.
 - (3)
 - (a) The Client shall be deemed to have furnished the Contractor and its Security Personnel with authority to search the person, property or premises of any person or concern.
 - (b) The Client shall be deemed to have furnished the Contractor and its Security Personnel with authority in terms of the Section 42 (3) of the Criminal Procedure Act No 51 of 1977 (as amended) to arrest any person found committing any offence on or in respect of its premises or any part thereof.
 - (c) The Client irrevocably indemnifies the Contractor and its Security Personnel against any claim or claims which may be instituted against any one or more of them, which claim or claims arise out of or in connection with any search or arrest unless it can be proven that the Security Personnel shall have acted illegally.
 - (4) The Client acknowledges that the Services provided by the Contractor are not an alternative to insurance and that it shall be incumbent upon the Client to effect all necessary insurance in relation to his business.
- (iv) Exclusion of force majeure, including reference to terrorism, strikes and industrial action.

12. Monthly Premium Conditions

Where the Insured requests that the Premium is payable by Monthly Premiums, the following Clause will apply:-

Where the Insurers have agreed, at the request of the Insured for the Period of Insurance as stated in the Schedule, to accept payment by Monthly Premiums, the Insured shall be deemed to have accepted and agreed that:

- (a) the Monthly Premium shall be payable in advance to the Insurers on the first day of each month, or such other day of the month as may be agreed by Insurers
- (b) in the event of the Insurers not receiving the Monthly Premium, for any reason whatsoever, this Policy shall, notwithstanding anything to the contrary contained in General Condition 5.7, be deemed to have been cancelled on the last day of the last month for which a Monthly Premium was received by Insurers. The reissue or reinstatement of cover shall be at the sole discretion of the Insurers
- (c) in the event of notification of any claim, or any circumstances which may give rise to a claim, the Insured shall, at the request of Insurers, immediately pay the balance of the Premium due for the unexpired Period of Insurance
- (d) in the event of the Insurers not receiving the balance of Premium in (c) above, the Insured agrees that Insurers may deem the claim under this Policy to have been withdrawn by the Insured and that Insurers shall be under no further liability in connection with such claim.

13. Claims Notification

Timeously notification of claims, or incidents which may be likely to result in claims being made against the Insured, is imperative. If the insurance is effected, the Policy issued will contain an "Initial Claims Notification Form", which sets out all relevant information required by Insurers for the registration and investigation and or defence of any claim.

Failure to notify Insurers timeously and to submit the required information may result in the rejection of the claim by Insurers.

We consider the insurance to be a partnership between Insurers and the Insured and would request the full co-operation of the Insured in assisting us to bring any claim to satisfactory and early finalisation.



ADDITIONAL INSURANCES AVAILABLE THROUGH ABELARD UNDERWRITING AGENCY

The following Insurances can be placed through Abelard Underwriting Agency. If you are interested in obtaining any Quotations, please indicate your request under the relevant Class of Insurance and the Proposal Form will be sent to your Broker:

(A) DIRECTORS & OFFICERS LIABILITY

A Director of a Company, Member of a Closed Corporation or other Officer has:-

- (a) a fiduciary duty of trust, in terms of common law,
- (b) statutory obligations, in terms of the Companies Act
- (c) other obligations in terms of the rules contained in the Memorandum and Articles of Association of the Company

to act in the interests of the Company. Failure to carry out such duties and obligations, and which result in a loss to Shareholders, Creditors or other parties, may render the Directors, Members or Officers liable, **in their personal capacities**, for such losses. The need for protection against such liabilities is increasing as a result of much publicized cases, eg Parmalat (Italy) and Enron (USA). Cover is available to the Directors & Officers of Companies in terms of the Directors & Officers Liability Insurance, which can provide protection to both the Company and the estates of the individual Directors, Members and Officers.

Do you require a Quotation? _____

(B) MOTOR INSURANCE

We specialise in the provision of Motor Insurance in respect of Vehicles owned or used by the Security Industry.

Do you require a Quotation? _____

(C) PERSONAL ACCIDENT INSURANCE

Security Officers are at risk of Death or Injury being suffered in the course and scope of their duties. The Compensation for Occupational Injury and Diseases Act will provide some compensation for such losses. However, the Insured, as an employer, may feel morally responsible to provide additional benefit to its employees and this can be provided in terms of a Personal Accident Insurance.

Do you require a Quotation? _____