



LEPPARD

Proposal Form

Underwritten by Lombard Insurance Company Limited,
an Authorised Financial Services Provider (FSP 1596).

MULTI-RISK LIABILITY INSURANCE PROPOSAL FORM FOR SECURITY COMPANIES

We are your Underwriters:

LEPPARD & ASSOCIATES (PTY) LTD

13 Baker Street
Rosebank 2196
Johannesburg
South Africa

Registration No. 1991/002788/07
Vat No. 4270124466
FSB Licence No. 274

PO Box 2730
Houghton
2041

Telephone No. +27 11 459 1640
Website: www.leppard.co.za

Your Insurers are:

Lombard Insurance Company Limited
Ground Floor, Block C, Sunnyside Office Park, 2 Carse O'Gowrie Road, Parktown 2193, Johannesburg

IMPORTANT - PLEASE READ BEFORE COMPLETING THIS PROPOSAL FORM

1. The Proposal, together with other information requested by or provided to the Insurer, 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 Insurer 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, supply any additional information on separate pages.
4. “Not Applicable” and “N/A” are not suitable responses. **All Questions must be completed in full, and be clear and legible**
5. An OFFICIAL Quotation cannot be provided unless all questions have been answered and the **Proposal Form signed and dated.**
6. **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.**
7. 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. 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.
8. 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.
9. **Please do not tick or cross response boxes unless requested to do so, nor leave them blank, where applicable, respond either “Yes” or “No”**
10. The Proposal Form should not be signed unless read and understood. The Insurer will consider all signed 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, 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.

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).

Item	Name	Telephone	Email
1			
2			
3			
4			
5			

2. COMPANY REGISTRATION DETAILS:

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

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) _____

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:**

Turnover: *The amount of money earned by the company from the provision of services and sales before deducting any expenses*

Service Contracts	With Firearms	Without Firearms
Warden Services, Access Control & Goods Despatch	R	R
Special Event Security Services	Not Applicable	R
Alarm/CCTV Monitoring and/or Response	R	R
Tactical Reaction/Response (not iro Strike/Riot or Events)	R	R
Escort Services - Banking & Payroll Services	R	Not Applicable
Escort Services - Other Goods	R	Not Applicable
Bodyguards/VIP/Close Protection	R	R
Undercover Agents	R	R
Security Consultancies	Not Applicable	R
Training Centres	R	R
Medical Response/Ambulance Services	Not Applicable	R
Riot/Strike Crowd Control	R	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 AND ARE NOT ACCEPTABLE. THEY DO NOT PROVIDE ANY DETAIL OF THE ACTUAL SECURITY SERVICES SUPPLIED.

To assist in the completion of the Turnover breakdown in Question 8:

- (i) "Warden Services" Static (Stationary) and Patrol Guards and Dogs at premises
- (ii) "Access Control" means the control of access to and exit from premises.
- (iii) "Goods Despatch" means the inspection and confirmation of goods leaving Commercial and Industrial Premises
- (iv) "Special Event Security Services" means contracts for the provision of Security, at individual exhibitions, sports meetings, concerts, conferences and events of a similar nature
- (v) "Alarm/CCTV Monitoring and/or Response" the monitoring of signals or transmissions from security equipment and response to the activation of alarm and visual monitoring systems
- (vi) "Tactical Reaction/Response" means the immediate and strategic response to specific situations not related to "Alarm/CCTV Monitoring and/or Response" and "Crowd Control Security Services"
- (vii) "Escort Services" means the security escort of vehicles carrying money or other goods
- (viii) Bodyguards/VIP/Close Protection means contracts solely for the protection of specified persons
- (ix) Undercover Agents means activities of the Proposer in covert investigations
- (x) Security Consultants means consulting in exchange for a fee
- (xi) Training Centre's means the provision of security training to outside personnel for a fee
- (xii) Medical Response and Ambulance Services means the provision of First Aid Response and Paramedical Ambulance Services
- (xiii) Strike/Riot Crowd Control means contracts for the policing (to regulate, control or keep in order) of persons involved in unrest, protests, strikes and riots which do not form the subject of the Special Events Security Services Extension

9. STAFF COMPLEMENT:

Number of Security Staff employed/Contracted:

Full-time	Part-time/Relief	Sub-Contractors	Independent Contractors

10. STAFF EMPLOYMENT AND TRAINING

(a) **Kindly tick or cross the applicable block to indicate the correct response.**

(i)	Do you retain, in the Employee records, a copy of the original Registration Certificate issued by PSIRA?	Yes	No
(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?	Yes	No
(iii)	If an applicant for employment is in possession of an original Registration Certificate, do you confirm such registration with PSIRA?	Yes	No
(iv)	Do you investigate and confirm previous employment records of applicants for employment?	Yes	No
(v)	Are all staff required to undergo regular Refresher Training and records thereof retained in Personnel Files?	Yes	No

(b) It is a requirement of the insurance that all Staff be trained in SASSETA and/or PSIRA accredited institutions/facilities? Please confirm the institution(s) generally utilised by the Proposer, whether or not they are accredited, and, where armed Security Personnel are deployed indicate which institutions/facilities are utilized for Firearm Training:

Kindly tick or cross the applicable block to indicate the correct response.

Item	Institutions/Facilities	Accredited		Firearm	
		Yes	No	Yes	No
1		Yes	No	Yes	No
2		Yes	No	Yes	No
3		Yes	No	Yes	No

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 – dealerships, garages, car parks	
(iii)	* Motor Vehicle Manufacturers and Suppliers - other – provide details below:	
(iv)	Shopping Centres and Office Premises	
(v)	Industrial Premises	
(vi)	Warehousing Stock Control and/or logistics	
(vii)	Domestic Accommodation, including Residential Estates	
(viii)	* Airports and Airfields	
(ix)	* Casinos	
(x)	* Forestry, Farms, Game Farms and the like	
(xi)	* Taxi Ranks	
(xii)	* Railways	
(xiii)	* Ship Stowaway Searches	
(xiv)	* Anti-Poaching	
	Total	100%

(*) These sites are subject to *special* underwriting considerations, and cover may automatically exclude such Sites.

12. PREVIOUS INSURANCES:

Kindly tick or cross the applicable block to indicate the correct response.

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

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 the Insurer for such Monthly Premium payments, a Leppard Debit Order Authority must be completed. Please refer Information Note 6 for conditions applicable to Monthly Premium Payments.

15. 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) 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 of or injury to or illness affecting 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 Loss occurring on or after the Retroactive Date of cover.

The Retroactive Date will be the original or first Inception date of cover

Prior Events, ie claims arising out of incidents occurring prior to the original inception date of cover (Retroactive Date) are excluded.

Claims that are made i.e. notified to the Insurer, after cover has expired or been cancelled, are excluded.

- (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 the Indemnity Limit that applies to any one claim or series of claims arising from one originating cause
 - (ii) Indemnity Limit "Per Period" means total amount of the Insurers' liability in respect of all claims made 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 2 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 Liability. 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 Insurer, 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: Per Section D – Security Liability if the Indemnity Limits elected are R250.000 or R500.000, otherwise, R1.000.000 “Per Claim” and “Per Period”

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

Indemnity Limits: Per Section D – Security Liability if the Indemnity Limits elected are R250.000 or R500.000, otherwise, R1.000.000 “Per Claim” and “Per Period”

- (c) **Employers Liability Extension:** in respect of the Proposers liability for Injury suffered by Employees in the course and scope of their duties. **Employee to employee is automatically included.** Cover excludes Industrial Illness, Asbestos related diseases and amounts payable in terms of C.O.I.D.

The Indemnity Limit “Per Claim” will follow the Indemnity Limit “Per Period” applicable to Policy Section D – Security Liability. The Indemnity Limit “Per Period” is Unlimited.

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) Is cover required? (Tick or cross the correct response block)

Yes	No
-----	----
- (b) Please advise “Per Period” Indemnity Limit required: R_____
 (Note: This Limit may not exceed that applicable to Section A above)

Yes	No
-----	----
- (c) Does the Proposer manufacture or assemble any components to the systems?
 If "Yes", where such Products are manufactured/assembled by the Proposer under Licence, please provide copies of the Licence Agreements and specify the Products.

Yes	No
-----	----
- (d) Are the components to the systems manufactured by others?

Yes	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 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	No
-----	----

If "Yes", does the Proposer operate a Research and Development Department?

Yes	No
-----	----

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 Proposer 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

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

Description of Product	Anticipated Failure Rate	Estimated Annual Turnover
	%	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

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

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

POLICY SECTION D – SECURITY LIABILITY

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 under Question 8 above. The Basic Security Liability cover applies in respect of:

- (a) Injury to persons
- (b) 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
- (c) 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 _____

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 Proposer’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 attract an additional Premium.

- (a) **Firearms Extension:** in respect of claims arising out of the ownership, possession or use of firearms. Reference should be made to the following:

- * No cover is granted to Grade E Security Personnel
- * Armed Security Personnel 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.
- * The Proposer shall at all times comply with all the provisions of all legislation governing conduct in the ownership, possession and use of firearms
- * No indemnity is granted in respect of claims arising out of the use of automatic firearms.

(i) Is cover required? (Tick or cross the correct response block)

Yes	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)

- (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. Reference should be made to the following:

- * Cover is provided for the liability of the Employer (the Insured), and not to the Employee
- * The indemnity provided by this Extension does not apply to claims which form the subject of any goods or Money transit or transit escort service.
- * 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 Proposer for a period of at least 12 months, or, alternatively, employed in the Security Industry for an uninterrupted period of three years

(i) Is cover required? (Tick or cross the correct response block)

Yes	No
-----	----

(ii) Please advise “Per Period” required Indemnity Limit:..... R _____

(Note:Limits available for this Extension are R250.000, R500.000, R1.000.000 and R2.000.000)

(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. Consequently, the cover should not be seen as an alternative to the responsibility of the Client to insure the Money.

(i) Is cover required? (Tick or cross the correct response block)

Yes	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.

Kindly tick or cross the applicable block to indicate the correct response.

(i)	Do you provide an escort service only to your Clients’ vehicles / personnel?	Yes	No
(ii)	(a) Do you transport the Money in your own vehicles?	Yes	No
	(b) If “Yes”, are Specialized CIT Vehicles utilized?	Yes	No
(iii)	Do you move money for multiple Clients at the same time?	Yes	No
(iv)	What is the maximum “Vehicle” exposure at any one time?	R _____	
(v)	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 the following:

- * 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
- * No cover is provided for claims arising out of the use of Firearms, other than for VIP/Close Protection Services
- * No cover is provided for claims arising out of the use of teargas or similar crowd control substances.
- * Any Employee carrying out any Security Services as contemplated by Security Legislation must be registered in terms of such legislation.

(i) Is cover required? (Tick or cross the correct response block)

Yes	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

(e) **Crowd Control Security Extension:** in respect of claims arising out of the policing (to regulate, control, or keep in order) of persons involved in unrest, protests, demonstrations, gatherings, riots and strikes. Reference should be made to the following:

- * This Extension shall not apply to riot/unrest deemed to form the subject of the Special Events Security Services Extension
- * no indemnity shall be granted for any claims deemed to contravene the Regulation of Gatherings Act (No. 205 of 1993)

(i) Is cover required? (Tick or cross the correct response block)

Yes	No
-----	----

(Note:Limits available for this Extension are:
 "Per Claim" minimum R250.000 and a maximum R5.000.000.
 "Per Period" maximum R10.000.000

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

(f) **Freight Escort Services Extension:** in respect of claims for Damage to goods that form the subject of cargo Escort Service: Reference should be made to the following:

- * Excludes liability arising out of Damage to Money, bullion, securities, precious stones, precious metals, jewellery and works of art
- * Excludes liability arising out of claims where the Insured is providing the service of a public or private carrier

(i) Is cover required? (Tick or cross the correct response block)

Yes	No
-----	----

(Note:Limits available for this Extension are:
 "Per Claim" minimum R250.000 and a maximum R5.000.000.
 "Per Period" maximum R10.000.000.

Please note that any single transit where the amount at risk exceeds the "Per Claim" Limit selected is deemed to be an excluded risk.

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

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 Proposer in the execution and conduct of the professional activities of the Proposer as **Security Consultants and/or Security Personnel Training Centres**. Refer Question 8 above.

(i) Is cover required? (Tick or cross the correct response block)

Yes	No
-----	----

(ii) 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 Extension attracts an additional Premium.

(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) Is cover required? (Tick or cross the correct response block)

Yes	No
-----	----

 (ii) Please provide details of the Training Facilities:

Item	Institution/Facility
1	
2	

INFORMATION

Whilst this information need not be returned to the Insurer 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. General Exclusions

The following General Exclusions should be noted as uninsured risks:

- (i) Fines, Penalties and Performance Warranties
- (ii) Punitive and Exemplary Damages
- (iii) War and Terrorism, Nuclear Risks and Sanctions
- (iv) Dishonest, Criminal or Illegal Acts, except in respect of the Fidelity Risks Extension
- (v) Contractual Liability – liability attaching to the Proposer in terms of any contract or agreement which liability would not attach in the absence of such contract or agreement.

2. The Excess:

The Excesses applicable to claims which form the subject of Section D - Security Liability 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, the Insurer 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 the Insurer will submit their Fee Accounts directly to the Insurer. The Insured will be requested to settle the Accounts “within Excess” directly to the Service Provider and confirm such settlement to the Insurer. For the purposes of any Input VAT Recoveries by the Insured, the Insurer 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, the Insurer 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) 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 the Insurer 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 the Insurer with relevant details as soon as it becomes aware of any incident. The decision to investigate and/or defend any claim, rests with the Insurer and, where sufficient information is not forthcoming, the Insurer must appoint Assessors and/or Attorneys in order to protect the interest of the Insured, and the Insurer.

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 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.

3. Special Provisions/Conditions

- (i) No keys, except those necessary for the purposes of the Services, should be available to the Security Personnel. The Proposers Client must be advised accordingly. This includes key to vehicles.
- (ii) Where the Contract Site comprises a showroom or car lot, to which the public may have after hours access, it must be protected 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 Proposer is a Member of that Association, as this will provide the Insurer 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 Proposers Client to also subject any suspected employee to polygraph tests.**

4. Excluded Risks:

The following constitute uninsured risks:

- (i) Non-Registered Security Personnel
- (ii) Non-uniformed Security Personnel unless agreed to be the Insurer
- (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.

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

- (i) Contracts at any Airport or Airfield
- (ii) Bulk Motor Vehicles Storage Facilities

General Notes

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

5. Contract Conditions:

The Contractual Liability Risk is excluded. However, in order to reduce any problems in this respect, the Insurer suggests 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 the Insurer, 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.

6. Monthly Premium Conditions

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

Where **We** have agreed, at **Your** request for the **Policy Period** as stated in the **Schedule**, to accept payment by Monthly **Premiums**, **You** will be deemed to have accepted and agreed that:

- (a) the Monthly **Premium** will be payable in advance to **Us** on the first day of each month, or such other day of the month as may be agreed by **Us**
- (b) in the event of **Us** not receiving the Monthly **Premium**, for any reason whatsoever, this **Policy** will, notwithstanding anything to the contrary contained in General Condition **Error! Reference source not found.** (Cancellation Rights), be deemed to have been cancelled on the last day of the last month for which a Monthly **Premium** was received by **Us**. The reissue or reinstatement of cover will be at **Our** sole discretion
- (c) in the event of notification of any **Claim**, or any circumstances which may give rise to a **Claim**, **You** will, at **Our** request, immediately pay the balance of the **Premium** due for the unexpired **Policy Period**
- (d) in the event of **Us** not receiving the balance of **Premium** in (c) above, **You** agree that **We** may deem the **Claim** under this **Policy** to have been withdrawn by **You** and that **We** will be under no further liability in connection with such **Claim**.

7. 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 the Insurer for the registration and investigation and or defence of any claim.

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

We consider the insurance to be a partnership between The Insurer 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.