# Professional Indemnity & Related Insurances

## Proposal Form

## Attorneys, Notaries & Conveyancers

**Please read the following before completing the proposal form**

The needs analysis in respect of the insurance for which you are applying is in respect of Professional Indemnity Insurance only and should additional advice be required for any other short term insurance exposure please advise us so that we can arrange for a consultant to contact you.

**General Proposal Form Information**

This proposal form has been compiled in such a manner as to provide Insurers with as much detail as possible with regard to evaluation of the insurance requirements. Completion of the form does not bind the Proposer or Insurers to complete the insurance transaction.

| | |
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| a. | The contract of insurance can only be finalised once we are in receipt of the fully completed proposal form together with your acceptance of quotation and payment of the premium. |
| b. | The proposal form must be completed in full as inaccuracies and incomplete information could impact on the premium and impair the cover. |
| c. | The Declaration must be signed. |
| d. | Any new /additional entity being formed or any material changes made to the Firm which could impact on the cover provided must immediately be advised to Aon on behalf of Insurers as cover will not be automatically granted. |
| e. | Please note: where work is undertaken in countries subject to prohibitions or restrictions under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America, the policy will not respond to claims where the indemnity, claim payment or provision of such benefit rests contrary to the prohibitions/restrictions/sanctions imposed in those particular regions. Please discuss with your Aon broker if you have any concerns. |
| f. | I/we have read and agree to be bound by Aon's Terms of Business Agreement ("TOBA") as amended from time to time and expressly agree that it forms an integral part of my agreement with Aon. The TOBA is available on www.aon.co.za |

When Insurers look at this Proposal Form they are forming an opinion of your Firm. This Proposal Form has been designed to capture as much information as possible concerning the business of a multi-disciplinary Firm but the questions may not exactly fit the profile of your Firm. In such cases please provide additional information by attaching appendices to the Proposal Form. If the space available to answer the questions is insufficient, please use appendices rather than summarising the information.

It can be of assistance if brochures and other similar promotional material can be submitted with the Proposal Form. Insurers would be interested in receiving examples of any standard terms of Engagement/Conditions of Contract which seek to limit your liability under contract.

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| **1.** | **Name of Practice:** | |
| **2.** | **Contact Information:** | |
| | Physical Address: | |
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| | | |
| | Postal Address | |
| | Telephone | |
| | Cell phone | |
| | E-mail | |
| **3.** | **VAT Number** | |
| **4.** | **Date Established** | |
| | Initially : | |
| | As presently constituted: | |

| | | | | | |
|---|---|---|---|---|---|
| **5.** | **Legal Constitution** | ☐ | Sole Practice | ☐ | Partnership |
| | | ☐ | Incorporated Company | ☐ | Close Corporation |
| | | ☐ | (Pty) Ltd | | |
| | | ☐ | Other: | | |

If "Other" please give full details/ attach company registration documents.

If "sole practitioner", please give details of arrangements for conduct of practice in leave of absence of Principal, etc.

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| **Company Registration No.**: | |
| **ID Number if Sole Proprietary**: | |

6. **Details of Principals:**

(Complete below or provide details on Appendix A if necessary)

| **Name** | **Qualifications and date admitted** | **How long in practice As a principal** |
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| | Please State: | |
| | i) No. of Principals | |
| | ii) No. of Professional Assistants | |
| | iii) No. of Candidate Attorneys | |
| | iv) No. of All Other Staff | |
| | **Total** | |
| 7. | **Conduct Of Profession:** | |
| | a) Does the Practice engage in any activities not generally carried out by a Legal Practice in South Africa? | Select |
| | b. Practice in NORTH AMERICA | |
| | (i) Does the Practice provide any services for clients domiciled in North America or North American territories? If YES: | Select |
| | 1. please advise the percentage and Rand equivalent of total fee income derived: | |
| | % ZAR | |
| | 2. provide details of such clients on Appendix A if applicable. | |
| | (ii) Do you maintain rights of recourse in respect of all North American activities? | Select |
| | (iii) Does the Practice provide services related to North American law? | Select |
| | If yes, please provide details on the separate sheet provided. | |
| | (iv) Approximate Percentage of Fees derived from North American services (EXCLUDING services related to North American law): | |

| | **Type of Work for North America** | % |
|---|---|---|
| 1. | Arbitration / Mediation | % |
| 2. | Business Rescue | % |
| 3. | Commercial (incl. Non- Securities Company Work) | % |
| 4. | Commercial (incl. Securities Company Work) | % |
| 5. | Conveyancing (Commercial) | % |
| 6. | Conveyancing (Residential) | % |
| 7. | Criminal | % |
| 8. | Debt Collection | % |
| 9. | Defendant Insurer Litigation | % |
| 10. | Labour (Litigation) | % |
| 11. | Labour (Non-Litigation) | % |
| 12. | Expert Witness | % |
| 13. | Intellectual Property | % |
| 14. | Lecturing & Related Work | % |
| 15. | Litigation Work (Other) | % |

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|---|---|---|---|
| | 16. | Matrimonial | % |
| | 17. | MVA Claims | % |
| | 18. | Patents | % |
| | 19. | Personal Injury (Claimant – incl. MVA) | % |
| | 20. | Personal Injury (Defendant – incl. MVA) | % |
| | 21. | Wills and Estates | % |
| | 22. | Tax Advice | % |
| | 23. | Investment Advice / Investment Practice | % |
| | 24. | National Housing Programme | % |
| | 25. | Curatorship | % |
| | 26. | Liquidations / Insolvency Practices | % |
| | 27. | Other – Please Specify | % |
| | | **Total:** | **100%** |
| | (v) | Offices located in North America: | |
| | (vi) | Management details: | |
| | (vii) | Percentage, if any, of shareholding held by entities in these countries | |

| | | | | | | |
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| **8.** | **Details Of Gross Fee Income:** | | | | | |
| | a. | Past Financial Year End: | Date: | | Fees: | |
| | b. | Current Financial Year End: | Date: | | Fees: | |
| | c. | Future Financial Year End: | Date: | | Fees: | |
| | d. | Does any individual client represent greater than 50% of the Practice's fee income for the last financial year (or is expected to for the forthcoming financial year)? | | | | Select |
| | | If **YES**, please provide details. | | | | |
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| | In view of your *Legal Constitution*, is your annual turnover or asset value LESS than R2,000,000. **(if yes, please refer to Appendix B attached to this proposal form)** | | | | | Select |

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| 9A. | **Approximate Percentage of Fees Split Total To 100%** | | |
| | | **Type of Work for North America** | % |
| | a. | Arbitration / Mediation | % |
| | b. | Business Rescue | % |
| | c. | Commercial (incl. Non- Securities Company Work) | % |
| | d. | Commercial (incl. Securities Company Work) | % |
| | e. | Conveyancing (Commercial) | % |
| | f. | Conveyancing (Residential) | % |
| | g. | Criminal | % |

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| | h. | Customs / Maritime | % |
| | i. | Debt Collection | % |
| | j. | Defendant Insurer Litigation | % |
| | k. | Environmental | % |
| | l. | Labour (Litigation) | % |
| | m. | Labour (Non-Litigation) | % |
| | m. | Expert Witness | % |
| | o. | Intellectual Property | % |
| | p. | Lecturing & Related Work | % |
| | q. | Litigation Work (Other) | % |
| | r. | Matrimonial | % |
| | s. | MVA Claims | % |
| | t. | Patents | % |
| | u. | Personal Injury (Claimant – incl. MVA) | % |
| | v. | Personal Injury (Defendant – incl. MVA) | % |
| | w. | Wills and Estates | % |
| | x. | Tax Advice | % |
| | y. | Investment Advice / Investment Practice | % |
| | z. | National Housing Programme | % |
| | AA. | Curatorship | % |
| | AB. | AB. Liquidations / Insolvency Practices | % |
| | AC. | AC. Medical Negligence Advice / Reports | % |
| | AD. | AD. Other – Please Specify | % |
| | | **TOTAL:** | **100 %** |

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| 9B. | **Conveyancing Activities (where applicable)** | |
| | i. Do you facilitate transactions for: | |
| | High value property transfers | Select |
| | Agricultural land / farms | Select |
| | Are the high value transfers of property over R50 million? | Select |
| | ii. If yes to the above, do you employ processes to ensure that land use rights are identified, and the appropriate authorities engaged for permissions or transfer of rights to the new owner? | Select |
| | If "**YES**", please specify/attach process | |
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| 10. | **Quality and Risk Management** |
| | A. Please give details of any quality and risk management standards applied in the Practice. |
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| | B. Does the Practice have a specific individual responsible for risk management and quality control within the practice? Select |
| | Name: Position: |
| | C. Do you require all employees to take at least two consecutive weeks of uninterrupted vacation during each year? Select |
| | If "NO", please explain. |
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| | D. How do you screen potential employees? (Credit checks, police clearance, previous employers, individual applications etc.) If your procedures differ for different categories of employees, please give full details for each. |
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| 11. | **Audits and Account Controls** |
| | A. Are your books audited by a qualified Accountant or Auditor? Select |
| | B. Do the Auditors investigate the validity of payments to Third Parties? Select |
| | C. Are these audits complete and unqualified? Select |
| | If "**NO**" to a) or b), please describe the limitations/qualifications |
| | D. Have the auditors made any recommendations in the last two audits that have not been adopted? Select |
| | If "YES", please give details of recommendations and reasons for not adopting them. |
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| | E. Please indicate banking systems used: |
| | ☐ Nedbank Corporate Saver |
| | ☐ Nedbank Pro Banker |
| | ☐ Investec Corporate Cash Manager |
| | ☐ Standard Bank Third Party Fund Administration |
| | ☐ Other (please specify) |
| | F. Average value of Trust Funds held at any one time (all Banks): R |
| | G. Does the proposer comply with regulations/controls/rules as stated in the Bank's training manuals? |

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| | If "**NO**", please give reasons for not complying. |
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| | H. If applicable, what are the cheque limits? |
| | I. Names/positions of the signatories authorised to sign cheques/release payments: |
| | |
| | |
| | J. Are all cheques and/or cash received by the Practice paid in daily? Select |
| | If **NO**, Please advise how long it could take to pay such monies into the relevant bank account. |
| | |
| | K. **Verification Policy/Process** |
| | Do you have a verification policy/process in place when clients notify of a change of details, whether banking information or otherwise? Select |
| | If yes, please indicate your process by attaching your verification process. |
| | If no, please be advised that claims relating to transfer instructions may not be covered under this policy. |
| | Please refer to **Appendix A** (page 12 of this proposal form). |
| | Please initial that you understand the consequences of not having a process in place |
| | **Initial here** |

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| 12. | **Claims / Circumstances** |
| | **All claims/incidents must be notified to your broker at Aon** |
| | A. To the best of the proposer's knowledge, has any current Officer, Director or Employee of the Insured/ Proposer ever committed or been implicated in the commission of a fraudulent or dishonest act (whilst in the service of the Proposer or otherwise)? Select |
| | |
| | B. Have any claims ever been made, in the last 5 (five) years, against the Practice or against its Predecessors in Practice or any of the present or former Principals or employees indemnifiable under the type of policy for which you are now applying? If YES, please give full details on a separate sheet. Select |
| | |
| | C. Are any of the Principals, after enquiry, aware of any circumstances which may result in any claim being made against the Practice or its Predecessors in Practice or any of the present or former principals, for which you are now applying? If YES, please give full details on a separate sheet. Select |
| | indemnifiable under the type of policy for which you are now applying? |
| | If "YES" to any of the above, please provide full details. |
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| **13.** | **Insurance History** |
| | A. Has any application for insurance of this nature (made on behalf of the Practice or its Predecessors in Practice or by any of the present Principals) ever been declined, cancelled, or has renewal been refused or have special terms been imposed? Select |
| | If "**YES**", please provide details. |
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| | For new clients only, has this Practice previously been insured for Professional Indemnity? Select |
| | i) If "NO", do you require Retro-Active Cover? Select |
| | If Retro-active cover is required, for what period: |
| | ☐ 1 Year ☐ 2 Years ☐ 3 Years |
| | ii) If "YES" please provide details of cover (or attach expiring schedule): - |
| | 1. Name of Insurers : |
| | 2. Indemnity Limit : |
| | 3. Deductible / Excess : |
| | 4. Expiry date of coverage : |
| | 5. The Retro-active Date : |
| | 6. Is policy in "Run-off" and if so for what period? : |
| **14.** | **Quotations Required:** |
| | We can provide various options on Limits of Indemnity. In deciding which Limit of Indemnity to select consideration should be given to factors affecting your risk profile. These factors include: - the nature and complexity of work undertaken; contractually agreed limitations of liability (if any); the requirements of your clients; exposure to third party claims; and affordability. |
| | Options required: |

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| **Section 1:** | **Professional Indemnity**, in excess of the Indemnity granted in terms of the LPIIF, excluding Indemnity in respect of any liability arising out of Investment Advice: Select | | | | |
| | **Options** | | | | |
| | R | each and every claim | R | each and every claim | |
| | | | | | |
| **Section 2:** | **Misappropriation of Trust Money** and/or Property dealt with in terms of Section 26 of the Attorneys Act 53 of 1979: Select | | | | |
| | R | each and every claim | R | each and every claim | |
| **Section 3:** | **Misappropriation of Trust Money** and/or Property dealt with in terms of Section 26 of the Attorneys Act 53 of 1979: Select | | | | |
| | R | each and every claim | R | each and every claim | |

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| **Section 4:** | **Outside Directors and Officers Liability Insurance** in respect of outside directorships conferred on Partners / Directors at the behest of the Firm and where the fees accrue to the Practice: | |
| | If required please provide the following information: | |
| | i) Full list of outside directorships listing companies and persons serving as per sheet provided. | |
| | ii) Does the turnover of any of these companies exceed R250M? | Select |
| | (Insurers will require additional financial information on these companies) | |
| **Are you a current member of the black conveyancers' association?** | | Select |
| Membership no.: | | |

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| **Other Aon Services**: | | |
| a) | **Commercial Insurance**: Aon Business Select (ABS) is a complete insurance solution to cater for your specific business insurance needs. We work with you to identify your business risks and understand the complexity of your organisation to design creative, personalised insurance solutions to cover your business assets, motor vehicle, loss of revenue, electronic equipment, and liability among other things.Can Aon commercial insurance division contact you to provide for your commercial insurance? | Select |
| b) | **Personal Insurance**: Can Aon contact you with regards to a group scheme or personal lines policy quote? | Select |
| c) | **Directors' & Officers' Liability Insurance**: In view of the New Companies Act we would recommend this cover. Should you wish to consider this option please advise and we will forward your information to the correct division. | Select |
| | (If YES, we will send you an alternative proposal form for completion) | |

## Declaration

I declare that the statements and particulars on this proposal are true and that I have not mis-stated or suppressed any material facts. I agree that this proposal, together with any other information supplied by me shall form the basis of any Contract of Insurance effected thereon. I undertake to inform Insurers of any material alteration to these facts occurring before completion of the Contract of Insurance, or during the subsistence of such contract.

I agree to be bound by Aon's Terms of Business Agreement ("TOBA") as amended from time to time and expressly agree that it forms an integral part of my agreement with Aon.

I furthermore authorize the Legal Practitioners Insurance Indemnity Fund (LPIIF) to provide Aon South Africa (Pty) Ltd with my claims records for renewal purposes.

Date: ______________________________

Signed: ______________________________

Name (print): ______________________________

Capacity: ______________________________

Company name: ______________________________

**Note:** This declaration must be signed by a principal of the practice. Signature of the Proposal Form does not bind the Proposer or the Insurers to complete the insurance.

**NB.** IF THIS PROPOSAL IS BEING COMPLETED FOR THE RENEWAL OF AN EXISTING POLICY, PLEASE REMEMBER COVER LAPSES AUTOMATICALLY AT MIDNIGHT ON THE LAST DAY OF YOUR EXPIRING POLICY, UNLESS A WRITTEN EXTENSION, NOT LONGER THAN 30 DAYS, IS REQUESTED AND HAS BEEN GRANTED BY UNDERWRITERS OR RENEWAL TERMS HAVE BEEN ACCEPTED.

**NB.** **PLEASE BE ADVISED THAT THERE IS A RISK MANAGEMENT REQUIREMENT RELATING TO FRAUDULENT TRANSFERS AS NOTED IN APPENDIX A OF THIS PROPOSAL FORM.**

**NB.** **PLEASE BE ADVISED THAT THE PROPOSAL FORM AND THE DECLARATION MUST BE SIGNED BY A DIRECTOR OF THE FIRM. A DIRECTOR'S DECLARATION IS BINDING ON A FIRM AND THEREFORE ONLY A DIRECTOR'S SIGNATURE WILL BE ACCEPTABLE.**

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## POPIA Disclaimer

The information contained here-in and the statements expressed should not be considered or construed as insurance broking advice and are of a general nature. The information is not intended to address the circumstances of any particular individual or entity. Accordingly, the information contained herein is provided with the understanding that Aon, its employees and related entities are not rendering insurance broking advice. As such, this should not be used as a substitute for consultation with an Aon Broker or Consultant.

Although we endeavour to provide accurate and current information and we use sources we consider reliable, Aon does not warrant, represent or guarantee the accuracy, adequacy, completeness or fitness for any purpose of the information and can accept no liability for any loss incurred in any way by any person who may rely on it. You should not act on such information without appropriate professional advice after a thorough examination of the particular situation. Aon reserves the right to change the content of this document at any time without prior notice.

Descriptions, summaries or highlights of coverage do not amend, alter or modify the actual terms or conditions of any insurance policy. Coverage is governed only by the terms and conditions of the relevant policy. This document has been compiled using information available to us at date of publication. For further information on our capabilities and to learn how we empower results for clients, please visit: www.aon.co.za or www.aon.com 

### Protection of Personal Information Act 4 of 2013 (POPIA)

Aon adheres to applicable data protection laws. For more information on how we process your personal information please refer to our Privacy Notice or a hard copy will be provided to you on request.

### Terms of Business

Aon's Terms of Business set out the legal terms and conditions relating to the business relationship between Aon and its clients and takes effect when we provide services to you or place insurance on your behalf.

# APPENDIX A

**Please provide any additional information hereunder:**

**DETAILS OF PRINCIPALS (if not sufficient space on form):**

| Name | Qualifications and date admitted | How long in practice<br>As a principal |
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# APPENDIX A

## Directors & Officers Cover: Outside Directorships

| Client Name | Client Business | Client Annual Turnover | Name And Capacity of Attorney |
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## North America Services

### (Excluding services related to North American Law)

| Client Name | Client Business | Name And Capacity of Attorney |
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# Verification Processes & Procedures

When clients notify of a change of details, whether banking information or otherwise, what process is followed internally to verify this information and origin of the instruction:

**Very Important Risk Management Note**

Fraudulent transfer instructions claims are increasing significantly with attorneys, where the purported client changing their banking details are not being properly verified.

In order to enjoy full cover please note that a verification policy MUST be in place.
Prior to making the transfer or amending the current payment details, the attorney receiving the instruction has verified that the instruction emanates from a genuine person by means of independent verification as a minimum:

a) through **a telephone call back procedure** consisting of calling the requestor by using the telephone number of such requestor which is:
   (i) held on file by the Insured obtained at the initial instruction, or
   (ii) available in the internal phone directory of the Insured or
   (iii) verifiable into the public domain; and
b) through a telephone call back procedure including a telephone call to the applicable **bank to verify** the name of the account holder and bank account details requested to be changed, and
c) where such instruction is in the form of an e-mail, by verifying and ensuring that the **genuine requestors' work/private e-mail address** has been used for such instruction.

Once your quotation has been received, please pay special attention to the requirements and restrictions contained therein.

**Premium Payment Grace Period**

1. The Annual Premium shall be payable in advance to Insurers.

2. In the event of the Insurers not receiving the payment, this insurance shall continue in force for a period of 30 days (Grace Period) to allow for payment. In the event that payment is not received within this period, this insurance shall be deemed to have been cancelled from inception.

3. Reinstatement of this insurance shall be at the sole discretion of the Insurers.

4. In the event of notification of any claim or notification of circumstances during the Period of Insurance that may lead to a claim when premium remains unpaid after the Grace Period, Insurers reserve the right to cease all activity on such claim or circumstance and any outstanding matters will then become the responsibility of the Insured. Should payments have been made by Insurers on any claims then such payments may be reclaimed from the Insured.

5. Subject otherwise to the terms, Exclusions, Conditions and limitations of the Policy.

**Cooling Off Rights**

The Insured enjoys a period of 14 (Fourteen) days (‘cooling-off period’) from receipt of this Policy document following the inception date of the insurance agreement or from the effective date of any variation thereof, during which the Insured may rescind the agreement and provided that the Insured has not claimed any benefit, is not in receipt of a claim made against the Insured or reported any claim to the Insurer, the insurance agreement is annulled and the Insured will be entitled to a pro-rata refund of Premium paid.

The Insurer will give effect thereto and refund any return premiums due to the Insured less an administration charge within 30 (Thirty) days of the annulment.

# Definitions

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| In view of the various queries received in respect of the professional indemnity insurance policies we now provide brief definitions of terms used in the policy wording. These definitions are merely guidelines for your information taken from frequently asked questions (FAQ) by the legal profession and do not replace your perusal of the policy document to ensure the requirements of your practice are catered for. However should you have any further queries do not hesitate to make contact. |
| **Limit of Indemnity**<br>The maximum amount the Insurers will pay for one loss, or series of losses arising from one originating cause or source, per insurance period including Costs and Expenses. |
| **In the Aggregate**<br>The maximum amount the Insurer will pay per insurance period. |
| EACH AND Every Claim<br>Unlimited number of claims, selected limit is available per claim rather than per year |
| **Excess / Deductible**<br>The first amount payable by the Insured, for each and every claim paid by the Insurer. |
| **Costs and Expenses**<br>The Insurers' costs and expenses to investigate and defend any claims which may be made against the Insured. |
| **Period of Insurance**<br>The period during which the insurer can incur liability under the terms of the policy. This policy is annual, from the date of inception for 12 months. |
| **Retroactive Date**<br>Claims first made against the insured arising from work performed on or after the retroactive date as it appears on the schedule of insurance will be indemnified in terms of the policy. This date is normally fixed as being the date on which the cover was first taken and would remain unaltered for the purposes of subsequent renewals. When cover is first taken, additional retroactive cover may be offered by insurers subject to certain conditions and premium loadings. |
| **Continuity of Cover**<br>Maintaining continuity of cover is very important. Should cover lapse and then be reinstated at a later date the retroactive date of cover would only extend to the latter date on which cover was reinstated. Should a claim then arise out of an action during this gap in cover, no cover would be in place for this claim. |
| **Claims Made Basis / Non-cancellable**<br>Professional indemnity policies are underwritten on a "Claims Made" basis. This means that:<br>A policy must be in force when the claim is first made against the Insured<br>The cause of action giving rise to the claim must either be on or after the 'retroactive date' shown in the Schedule of the policy.<br>If the policy has lapsed there will be no cover notwithstanding the fact that the policy may have been in force at the time of the cause of action arose giving rise to the claim.<br>The policy is an annual policy and does not contain a Bilateral cancellation clause. |

**Premiums**

Premiums are payable annually on inception of the policy and include VAT and Commission.

**Professional Indemnity in relation to *Curator Bonis***
Although the policies (both the Legal Practitioners Insurance Indemnity Fund and "top-up") do not specifically mention trustees, liquidators and curators, they do provide indemnity to ***practising*** attorneys for liabilities they may incur to third parties arising out of the conduct of the profession. We have always accepted that attorneys are regularly appointed as liquidators/trustees/curators due to their professional expertise and an attorney acting as such would be acting within the conduct of the profession.

However the attorney should be a *practising* attorney and the fees earned from such an appointment must be for the benefit of his/her legal practice.

Misappropriation of Trust Money and/or Property Insurance

Covers theft, unauthorized borrowing or misappropriation of Trust Money and/or property as described in terms of Section 26 of the Attorneys Act, 1979 (Act 53 of 1979) by any staff member. There is **no Misappropriation cover afforded in terms of the Legal Practitioners Insurance Indemnity Fund.** However, only as a last resort, once all other resources have been exhausted, would the LPIIF cover the third party in respect of a Misappropriation of Trust Money in terms of Section 26 of the Attorneys Act, 1979 (Act 53 of 1979).

Please note that the Attorneys Trust Monies cover extends to cover an attorney acting as a Curator Bonis, notwithstanding the fact that the money will be held in a separate account and not in the trust account. This has been confirmed by the Insurers by reference to the insuring clause and cross reference to Section 26 of the Attorneys Act. i.e., the word "**or**" separates the cover in respect of executor / administrator (deceased estate) and trustee (insolvent estate) whilst the term "similar capacity" refers back to executor / administrator and trustee.

**Fidelity Guarantee and Money policies**
Please note that the professional indemnity and misappropriation of trust money policies exclude Fidelity Guarantee and Money cover. These sections must be included in your short term policy covering your office contents etc.
By definition:

**Fidelity Guarantee**
Loss of money and/or other property belonging to the insured or for which they are responsible stolen by an insured employee during the currency of this section.
Direct financial loss sustained by the insured as a result of fraud or dishonesty of an insured employee all of which occurs during the currency of this section which results in dishonest personal financial gain for the employee concerned.

**Money Section**
Loss of or damage to money (as defined) occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe and Malawi except if otherwise specified provided that the liability of any company for all loss or damage arising from all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the specific limitations stated in the schedule.

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| **Liability following Employee Dishonesty**<br>Covers claims arising out of any dishonest, fraudulent or malicious act or omission of any Employee (not being a Director, Partner or Principal) of the Insured, provided always that no indemnity shall be granted in respect of claims which are insured or insurable under a Fidelity Guarantee Policy of Insurance." |
| According to the insurers, the risk of theft of trust monies by employees is insurable under a Fidelity Guarantee Policy and Misappropriation of Trust Money Policy. |
| An example for clarity regarding a claim covered by "Liability following Employee Dishonesty": |
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| As a result of money being "stolen" that should have been invested, your client sues you for loss of interest that would have been earned if the money had been invested, the extension will then provide cover for that claim on the interest. In other words, <u>the consequences of the dishonest act will be covered,</u> not the act itself. |
| **Investment Advice**<br>Cover is excluded in terms of the Attorneys Fidelity Fund Professional Indemnity Insurance Scheme. Investment Advice refers to instances where an attorney purports to advise his client (or any person) on the manner in which the client should invest his funds to receive a return on those funds at an interest rate higher that that of a normal bank. This, however, excludes the instances where the attorney advises the client to invest the funds in terms of Section 78 of the Attorneys Act no 53 of 1979. |
| **National Housing Programme**<br>Cover is excluded in terms of the Attorneys Fidelity Fund Professional Indemnity Insurance Scheme. This relates to any legal activity (such as where an attorney is retained as a pay-master) with regard to work, for which the attorney has been retained and which work emanates from the Housing Act No. 107 of 1997, but excludes the clear instruction to the attorney to attend to the conveyancing of the property involved. |
| ***North America Extension***<br>USA / Canada is normally excluded in terms of the policy. However Insurers would be prepared to negotiate offering limited cover in the USA/Canada subject to certain required criteria, conditions and exclusions. |
| However it is important to note that this is conditional on not more than 20% of Insured fees being derived from the conduct of business in North America. Please pay careful attention to the <u>exclusions</u> in terms of the extension particularly:<br>1) any advice given on USA and/or Canadian Law or any territories which come within the jurisdiction of USA and/or Canadian Law.<br>2) any business operations of the Insured located in the USA and/or Canada and/or territories which fall under the jurisdiction of United States of America and/or Canada. |
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