



LEPPARD

UNDERWRITING

01 January 2017

Policy Document

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

MEMBERS OF THE INSTITUTE OF ACCOUNTING AND COMMERCE SOUTH AFRICA

INTRODUCTION AND CONTRACT

This is a **Master Contract** and is subject to the law of the **Republic of South Africa**.
The **Master Contract** number is P51 009291.

All words in **bold typeface** should be read in conjunction with the DEFINITIONS as set out in Annexure A. Any word or expression to which a specific meaning has been given in the attached document shall bear such specific meaning wherever it may appear in this **Master Contract**.

INTENTION AND PURPOSE

- A. **The IAC** has entered into this **Master Contract** to give effect to the benefits set out in Annexure A in recognition of the objectives set out in the constitution of **The IAC** to improve and sustain the status, professional image and conduct of its **Members** and has agreed to pay the **Premium**.
- B. The purpose of this **Master Contract** is to set out the agreement between **The IAC** and **Us** in relation to the indemnity as set out in Annexure A.

CONTRACT PERIOD AND PREMIUM

- C. This **Master Contract** is valid with effect from the 1st January 2017 to the 31st December 2017 subject to the payment of the **Premium**.
- D. The **Premium** payable is on a monthly declaration basis and is calculated based on the number of **Members** who have paid their fees to **The IAC** during each consecutive calendar month commencing the 1st January 2017 at a rate per **Member** of R680.00 including **Value Added Tax** but from 1st July 2017 at a rate per **Member** of R340.00 including **Value Added Tax**.

This declaration will be made as at the end of each consecutive calendar month and the resultant **Premium** including **Value Added Tax** shall be paid to **Us** on or before the end of the month of declaration.

DISPUTES

- E. In the event of a dispute between **The IAC** and **Us** in relation to this **Master Contract**, the dispute will be set out in writing and submitted to an independent arbitrator who will be empowered to make a ruling and binding decision to resolve the dispute.
The appointment of the independent arbitrator will be agreed upon mutually but in the event there is no agreement then the appointment will be made by the Short Term Insurance Ombudsman who will appoint an independent arbitrator with accounting skills in the event of a dispute of fact concerning financial matters but a practicing senior counsel in all other matters. The arbitration shall be conducted in accordance with the Rules of the Arbitration Foundation of South Africa including an appeal procedure.

SERVICE OF SUIT

- F. In the event of any litigation between **The IAC** and **Us**, arising out of this **Master Contract**, Lombard Insurance Company Limited (Pty) Ltd (Reg No. 1990/001253/06) FSP No. 1596, Ground Floor, Block C, Sunnyide Office Park, 2 Carse O’Gowie Road, Parktown, 2193, Johannesburg is required to accept service of suit, in terms of the Short Term Insurance Act 1998.

This **Master Contract** is entered into by the **Coverholder** on **Our** behalf.

Signed for and on behalf of the **Coverholder**.

Protecting your Reputation

ANNEXURE A

INTRODUCTION AND CONTRACT

This is a contract of insurance and is subject to the law of the **Republic of South Africa**.

The insurance cover described in this contract of insurance is effected under the **Master Contract** No. and Binding Authorities granted to the **Coverholder** by Lombard Insurance Company Limited, Contract No. LPI2016.

All words in **bold typeface** should be read in conjunction with the DEFINITIONS. Any word or expression to which a specific meaning has been attached in any part of this contract of insurance shall bear such specific meaning wherever it may appear.

This contract of insurance is valid with effect from the **Inception Date** of the **Contract Period** subject to the payment of the **Premium**.

SCHEDULE

This **Schedule** (Clause 22) is a summary of the key terms of this contract of insurance.

You (Clause 27) are each **Member of The IAC**.

We (Clause 26) are Lombard Insurance Company Limited (Reg No. 1990/001253/06) FSP No. 1596.

The **Contract Period** (Clause 5) is for 12 months from the **Inception Date** (Clause 12) which is the 1st January 2017.

The **Limits** (Clause 14) in respect of a **Claim** and **Costs and Expenses** dealt with in terms of clause;

29.1. For a **Member** R3,000,000 **Any One Claim** (Clauses 2.1, 2.2, 2.3, 2.4) and in the aggregate for the **Contract Period**.

29.2. R50,000 **Any One Claim** (Clause 2.5) and in the aggregate for the **Contract Period**.

The **Deductibles** (Clause 9) applicable to clause;

29.1. R5,000 of **Damages** and **Costs and Expenses**.

29.2. R1,000

Signed for and on behalf of the **Coverholder**.

INTENTION AND PURPOSE

1. **The IAC** has entered into a **Master Contract** for the benefit of its **Members**, in recognition of the objectives set out in the constitution of **The IAC** to improve and sustain the status, professional image and conduct of its **Members** and has agreed to pay the **Premium**.

This insurance provides an indemnity only for the acts committed by **Members** personally.

DEFINITIONS

2. **“Any One Claim”** shall mean;

all **Claims**, regardless of their number or the identity of the claimants or whether attributable to separate contracts or mandates arising from or out of,

- 2.1 the same negligent act, error, omission, misrepresentation, misstatement, breach or infringement,
- 2.2 one originating defamatory statement or utterance,
- 2.3 the dishonest, fraudulent, malicious or criminal acts or omissions of any one person, or any number of people acting in collusion,
- 2.4 one originating cause of a breach of confidentiality,
- 2.5 an originating cause of destruction, loss, mislaying of or damage to or theft of **Third Party Documents** or **Third Party Property**,

shall be regarded as one **Claim** under this contract of insurance.

3. **“Claim”** or **“Claims”** shall mean;

- 3.1 the receipt of a letter, a summons or other document, howsoever delivered, claiming **Damages** from **You**,
- 3.2 the receipt of a notice from any person or entity of any intention to claim **Damages** from **You**,
- 3.3 a **Circumstance** which shall mean;
 - 3.3.1 the knowledge of facts from which **You** ought reasonably to conclude that a **Claim** may be made against **You**,
 - 3.3.2 the discovery of reasonable cause for suspicion of dishonesty, fraud, malicious or criminal act on the part of anyone that may give rise to a **Claim**,

4. **“Computer, Data and Electronic Systems”** shall mean;

information and communication technology devices and facilities for the electronic storage, transmission, receipt, retrieval and processing of computer software, data and voice communications, and networking equipment or facilities which enable connection to other devices or networks.

5. **“Contract Period”** shall mean;

a period of twelve consecutive calendar months commencing from the **Inception Date**.

6. **“Costs and Expenses”** shall mean;
- 6.1 all amounts **We** spend or **You** spend with our prior written approval, which will not be unreasonably withheld, in procuring **Third Party** services for the investigation, defence or settlement of any **Claim**,
- 6.2 all amounts **We** spend in procuring services from **You** for the investigation, defence or settlement of any **Claim**.

Any amounts spent by **Us** in the management and administration of any **Claim**, or amounts **You** incur in working with **Us**, including attending meetings with **Our** representatives, shall not form part of any **Costs and Expenses** or the **Limit**.

7. **“Coverholder”** shall mean;

Leppard and Associates (Proprietary) Limited (Reg. No. 1991/002788/07) FSP No. 274.

8. **“Damages”** shall mean;

all amounts a **Third Party** may be awarded by judgment or agreed by **Us** as monetary compensation for losses incurred by the **Third Party**.

9. **“Deductibles”** shall mean;

The amounts shown in the **Schedule** for the first amount of **Damages** and **Costs and Expenses** to be borne by **You** at **Your** own cost and risk in respect of **Any One Claim**.

10. **“Documents”** shall mean;

any words, numbers, still or moving images or graphics maintained in or on any medium whether in physical, electronic, broadcast or any other form but excluding computer operating and software programmes.

11. **“Entity or Entity’s”** shall mean;

the business entity, howsoever incorporated, that employs **You** in terms of a full time employment contract.

12. **“Inception Date”** shall mean;

The date shown on the **Schedule**.

13. **“Internet Service Provider”** shall mean;

an entity which provides services for reward or otherwise to anyone in accessing the Internet via any **Computer, Data and Electronic Systems**.

14. **“Limits”** shall mean;

the amounts shown in the **Schedule** plus **Value Added Tax We** are liable to pay **You** arising out of **Our** obligations in terms of this contract of insurance.

15. **“Malicious Code”** shall mean;

any virus, Trojan Horse, worm, spyware or other disabling, invasive or destructive computer code.

16. **“Master Contract”** shall mean;

the contract between **The IAC** and **Us** in terms of which this contract of insurance is issued.

17. **“Member”** shall mean;
an individual registered as a member as declared by and in good standing with **The IAC**;
18. **“Premium”** shall mean;
the amount agreed between **The IAC** and **Us** as the consideration payable to **Us** for **Our** undertakings in terms of this contract of insurance as set out under the **Master Contract**.
19. **“Property”** shall mean;
any money, notes, papers, records, letters of a physical nature having a tradable or commercial value.
20. **“Republic of South Africa”** shall mean;
the geographical and jurisdictional area comprising the Republic of South Africa as at the **Inception Date**.
21. **“The IAC”** shall mean;
the Institute of Accounting and Commerce, South Africa.
22. **“Schedule”** shall mean;
the list of key terms referred to in this contract of insurance.
23. **“Services”** shall mean;
all work performed for or advice given to **Third Parties** by **You** at the time **You** were a **Member** or by anyone on **Your** behalf and on whom **You** have placed reliance in the normal course and conduct of **Your** business provided such work performed or advice given falls within the activities sanctioned by **The IAC**.
24. **“Third Party”** and **“Third Parties”** shall mean;
any person who is not **You** or **Us**.
25. **“Value Added Tax”** shall mean;
the applicable tax applied to goods and services in terms of Act, No 89 of 1991.
26. **“We”, “Our”** and **“Us”** shall mean;
Lombard Insurance Company Limited (Reg No. 1990/001253/06) FSP No. 1596.
27. **“You”** and **“Your”** shall mean;
each **Member**.

INDEMNITY

28. **We** agree to indemnify **You** or the **Entity** subject to the terms of, or any endorsements to, this contract of insurance and provided **The IAC** has paid the **Premium**:
29. For **Claims** made against **You** or the **Entity** during the **Contract Period** for **Your** or the **Entity's** legal liability to pay **Damages** and for **Costs and Expenses**, up to the **Limits** and subject to the **Deductible**, arising out of:
 - 29.1 the provision of **Services** after the 1st January 2005, as a result of;
 - 29.1.1 any negligent act error omission misrepresentation misstatement whenever or wherever committed or alleged to have been committed, by **You**,
 - 29.1.2 any unintentional breach of confidentiality trust authority privacy whenever or wherever committed or alleged to have been committed, by **You**,
 - 29.1.3 any defamation by **You** by reason of words written or spoken,
 - 29.1.4 any dishonest, fraudulent, criminal act or omission committed by a person whom the **Member** supervises in respect of **Services** provided by the **Member** provided that no indemnity shall be afforded to anyone committing or condoning such dishonest, fraudulent, malicious or criminal act or omission.
 - 29.2 the accidental destruction loss mislaying of or damage to or theft of **Third Party Documents** entrusted to **You** or in **Your** custody and control.

EXCLUSIONS

30. **We will not indemnify You against any Claim or Costs and Expenses;**
- 30.1 for which **You** are entitled to indemnity under any other contract of insurance or indemnity.
 - 30.2 arising out of;
 - 30.2.1 **Your** agreement to pay fines penalties punitive liquidated or exemplary damages.
 - 30.2.2 fines penalties punitive liquidated or exemplary damages imposed by any regulatory or judicial authority.
 - 30.3 arising out of any contract other than a contract for **Services**.
 - 30.4 in respect of **Your** own **Property** or the theft or misappropriation of **Third Party Property**.
 - 30.5 arising out of the failure of investments to perform unless negligence on **Your** part is proved on or before the date of the investments.
 - 30.6 in respect of the death of, or bodily or mental injury to any person.
 - 30.7 previously disclosed or notified or which should have been notified as a **Claim** or **Circumstance** under any other contract of insurance, insurance policy or similar contract or guarantee preceding the **Inception Date**.
 - 30.8 resulting from any **Services** rendered or any **Claim** brought in any court outside the **Republic of South Africa**.
 - 30.9 arising directly or indirectly from war, invasion, acts of foreign enemies hostilities or warlike operations (whether war be declared or not), civil war, civil commotion, mutiny, military or popular rising, rebellion, revolution, insurrection, military or usurped power, acts of terrorism or violence, martial law or state of siege, acts or any attempted acts directed towards the overthrow of or protest against or furthering any political aim or objective or social or economic change in the policies of any government, provincial local or tribal authority or the act or order of any lawfully constituted authority in controlling, preventing, suppressing or in any other way dealing with any of the aforementioned occurrences, confiscation, nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority. If **We** allege that by reason of this exclusion there is no cover under this contract of insurance the burden of proving the contrary shall rest with **You**.
 - 30.10 in respect of any legal liability, loss, damage, destruction, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from;
 - 30.10.1 ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
 - 30.10.2 nuclear material, nuclear fission or fusion, nuclear radiation;
 - 30.10.3 nuclear explosives or any nuclear weapon;
 - 30.10.4 nuclear waste in whatever form;regardless of any other cause or event contributing concurrently or in any other sequence to the loss. For the purpose of this exclusion only, combustion shall include any self-sustaining process of nuclear fission.

30.11 arising out of :

30.11.1 any seepage, pollution or contamination or the cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances, unless caused by a sudden, unintended and unexpected happening,,

30.11.2 the hazardous nature of asbestos.

30.12 for any **Services You** render as an **Internet Service Provider**,

30.13 arising by reason of the introduction of **Malicious Code** by **You** or a **Third Party** into any **Computer, Data and Electronic Systems** resulting in the incapacity or failure correctly or at all to capture save retain or to process any data.

30.14 made against **You** by **Your** employee unless the **Claim** arises directly from **Your Services**.

30.15 arising out of **Your** insolvency or trading losses and liabilities.

30.16 where such **Claim** is caused by **Your** dishonest or fraudulent act.

CONDITIONS

31. **You** will comply with the following as conditions precedent to **Our** liability in terms of this contract of insurance;
- 31.1 **You** must notify **Us** of any **Claim**, in writing, as soon as practicable but in any event no later than the 1st March 2018 failing which no notification will be accepted by **Us**.
- 31.2 Any notification of a **Claim** in compliance with 31.1 is to be made to:
- VKN Financial Services (Pty) Ltd
Telephone number: +27110237265
E-mail: delwena@vknfs.co.za or dale@vknfs.co.za
Fax: 0865122641
- 31.3 **You** shall not admit liability, nor settle, nor incur any **Costs and Expenses** for any **Claim** without **Our** prior consent. **We** are entitled, at any time, to take over and conduct the defence or settlement of any **Claim**, in **Your** name. **You** will not be required to contest any legal proceedings unless a Senior Counsel, who **We** will mutually agree to appoint with **You**, shall advise that such proceedings should be contested.
- 31.4 **You** will at your own cost render such assistance to **Us** or our appointed representatives as **We** may require in order to investigate, defend or settle any **Claim** and will fully and truthfully disclose to **Us** any information relevant to the **Claim**.
- 31.5 Should **You** report a **Circumstance** to **Us** which subsequently results in a **Claim**, **We** confirm that this contract of insurance shall apply to such **Claim**.
- 31.6 **You**, as applicable, shall pay the **Deductibles**.
- 31.7 **We** agree not to seek recovery from any person who is employed by **You** in terms of a contract of employment for amounts **We** have paid unless the **Claim** has been brought about or contributed to by the dishonest, fraudulent, criminal or malicious act or omission of such person and in such event any amounts recovered from this person or from his or her estate or legal representatives, shall be applied in the first instance in reduction of the **Damages** and **Costs and Expenses**.
- 31.8 In the event of the **Premium** not being paid **We** may at **Our** discretion cancel this contract of insurance with effect from the **Inception Date**. In the event the contract of insurance is cancelled **We** shall not be liable to indemnify **You** in respect of any **Claim** **You** have notified to **Us** and in addition **You** will reimburse **Us** on demand for any amounts **We** have paid in respect of such **Claim**.
- 31.9 **Our** rights of recourse are retained against any **Third Party** causing **You** to become legally liable.
- 31.10 Where **You** are liable **We** may at any time pay **You** the **Limit Any One Claim** less any amounts already paid or pay **You** a lower amount than the **Limit** if settlement can be made for less. **We** shall then no longer be involved with or be liable any further for such **Claim**.

DISPUTES

32. In the event of a dispute between **You** and **Us** in relation to this contract of insurance, the dispute will be set out in writing and submitted to an independent arbitrator who will be empowered to make a ruling and binding decision to resolve the dispute.

The appointment of the independent arbitrator will be agreed upon mutually but in the event there is no agreement then the appointment will be made by the Short Term Insurance Ombudsman who will appoint an independent arbitrator with accounting skills in the event of a dispute of fact concerning financial matters but a practicing senior counsel in all other matters. The arbitration shall be conducted in accordance with the Rules of the Arbitration Foundation of South Africa including an appeal procedure.

SERVICE OF SUIT

33. In the event of any litigation between **You** and **Us**, arising out of this contract of insurance, Lombard Insurance Company Limited (Pty) Ltd (Reg No. 1990/001253/06) FSP No. 1596, Ground Floor, Block C, Sunnyside Office Park, 2 Carse O’Gowie Road, Parktown, 2193, Johannesburg is required to accept service of suit, in terms of the Short Term Insurance Act 1998.

LEPPARD UNDERWRITING DISCLOSURE NOTICE

THIS IS A STATUTORY NOTICE AND DOES NOT FORM PART OF THE CONTRACT OF INSURANCE

Disclosure:	This disclosure is made in terms of the Financial Advisory and Intermediary Services Act, 2002.	
Financial Service Provider:	Leppard and Associates (Pty) Limited FSP Licence No. 274 Services	Reg.No.1991/002788/07, Authorised Category 1 Intermediary
Contact detail:	As shown on this letterhead.	
Capacity:	Leppard and Associates (Pty) Limited is an Underwriting Manager for and authorised by Lombard Insurance Company Limited. An Underwriting Manager performs binder functions as referred to in the Short-term Insurance Act, 1998 on behalf of an Insurer.	
Product Supplier:	Lombard Insurance Company Limited (Reg. No. 1990/001253/06) and FSP Licence No. 1596	
Remuneration and Interest:	<p>During the past 12 month period, Leppard and Associates (Pty) Limited received more than 30% of its total remuneration from Lombard Insurance Company Limited. Leppard and Associates (Pty) Ltd does not have more than 10% direct or indirect shareholding in Lombard Insurance Company Limited. Leppard and Associates (Pty) Ltd is remunerated as follows:</p> <ul style="list-style-type: none">• Binder fee from Lombard Insurance Company Ltd for Binder functions performed.• Participation in the financial and underwriting profitability over time.• Where we arrange premium financing on behalf of any insured we charge a facility fee of R855.00 Vat Inclusive.	
Conflict of Interest:	Leppard and Associates (Pty) Limited has a Conflict of Interest Management Policy which you can access at www.leppard.co.za or by written request to Leppard and Associates (Pty) Limited.	
Professional Indemnity Insurance:	Leppard and Associates (Pty) Ltd has Professional Indemnity and Fidelity Insurance. No IGF is in place as Leppard and Associates (Pty) Ltd does not collect any premiums.	
Your information:	<p>Any application form or information provided by you for the purpose of insurance must be complete and truthful and will form the basis of any insurance contract between you and the Insurer.</p> <p>Failure to provide correct, full and material information whether requested on the application form or not, relating to your insurance or any claim may influence decisions made by Leppard and Associates (Pty) Limited or the Insurer in respect of such insurance or claim.</p> <p>If you have any doubt about the declaration of information please contact your broker.</p>	
Understanding:	Ensure you understand what benefits and exclusions are applicable to your contract of insurance and that you are acquainted with what is not covered, what is restricted and if there are any special contract clauses.	
Premium payment:	The premium payment terms are set out in your insurance contract.	

Claims: To submit a claim, refer to the procedures set out in your insurance contract.

Complaints: Any complaint about Leppard and Associates (Pty) Ltd must be provided in writing to the address shown on this letterhead or e-mail: complaints@leppard.co.za. Any complaint about the Insurer must be provided in writing to either Leppard and Associates (Pty) Ltd or directly to the Insurer at e-mail: complaints@lombardins.com. If any complaint is not resolved to your satisfaction regarding the advice you were given, you may submit your complaint to the FAIS Ombud.

Regulatory Information:

Compliance Officer (for Leppard Underwriting): Associated Compliance Pty Ltd
Tel: +27 11 678 2533 and Fax: +27 11 475 0096
e-mail: info@associatedcompliance.co.za and Website: www.associatedcompliance.co.za

Short Term Ombud: PO Box 32334, Braamfontein, 2017
Tel: +27 11 726 8900 and Fax: +27 11 726 5501
Email: info@osti.co.za and Website: www.osti.co.za

Registrar of Short-term Insurance: Financial Services Board
PO Box 35655, Menlo Park, 0102
Tel: +27 12 428 8000 and Fax: +27 12 346 6941
Email: info@fsb.co.za and Website: www.fsb.co.za

FAIS Ombud: PO Box 74571, Lynwood Ridge, 0040
Tel:+27 12 470 9080 and Fax:+27 12 348 3447
Email: info@faisombud.co.za and Website: www.faisombud.co.za

Legal proceedings: Your Insurer shown in your contract of insurance is Lombard Insurance Company Limited.
Should you wish to institute legal proceedings against the Insurer serve documents on:

Lombard Insurance Company Limited
Ground Floor, Block C
Sunnyside Office Park
2 Carse O’Gowrie Road
Parktown, 2193
South Africa.

