

SACNASP

PROFESSIONAL INDEMNITY INSURANCE SCHEME POLICY

- TAILORED TO COVER THE DIVERSE RISKS FACED BY SCIENTISTS REGISTERED WITH SACNASP



CFP Brokers (Pty) Ltd is an Authorised Financial Services Provider: FSP 42892

Garrun CFP (Pty) Ltd is an Authorised Financial Services Provider: FSP 25426

Phone No.'s: 011 794 6848

E-Mail: info@cover4profs.co.za

Website: www.cover4profs.co.za

33 Central Street, Houghton

Estate, 2198

Private Bag X106. Brvanston. 2191

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TERMS AND CONDITIONS OF COVER FOR COMPANIES UNDER THE SACNASP PROFESSIONAL INDEMNITY SCHEME ('SPIIS')

**'Registered' for the purposes of the terms and conditions below would mean a professional natural scientist (including a candidate or certificated natural scientist) registered with SACNASP in terms of the Natural Scientific Professions Act (as amended from time to time) in a category as prescribed by the Act.*

For ease of reference the term 'company' and 'you' shall be used interchangeably throughout this document and shall be deemed to include all incorporated entities (eg close corporations and companies) and partnerships and the term 'directors' and 'you' shall be used interchangeably throughout this document and deemed to include all members of close corporations and all partners of partnerships as well as all company directors.

1. A company shall only be entitled to apply for cover under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') if there have not been any claims within the past 5 years made against the applicant, the company and/or any of the directors of the company.
Further:
 - a. The company will only qualify for cover under the SPIIS if, after enquiry of all employees and directors of the company, no-one is aware of any potential claims against the company or circumstances or incidents occurring within the past 5 years, which could lead to a potential claim, against the company which would be covered under this type of insurance.
 - b. If there have been any claims and/or circumstances/incidents in the past 5 years, then ITOO Special Risks (Pty) Ltd ('ITOO') requires you to complete a full proposal form for

separate consideration. This 'Non-scheme proposal form' can be located under the 'New Application' tab on the Main Access Page on the On-line Indemnity Insurance Registration System ('OIIRS').

2. You agree to the conditions of cover as follows:
 - a. Only companies with paid-up subscribing SACNASP registered natural scientists are eligible for cover under the SPIIS. Alternatively, you must have applied for registration with SACNASP to be eligible for cover under the SPIIS.
 - b. Candidate or certificated natural scientist would mean any person who is required to perform work under the direction or supervision and control of a professional natural scientist as prescribed by the Natural Scientific Professions Act ('The Act').
 - c. Where an individual is permitted to do work without direction or supervision and control, such individual would be regarded as a professional natural scientist and would need to pay that category's premium for cover under the SPIIS.
 - d. Where an individual is a professional natural scientist in any prescribed category in terms of the Act, that individual must pay the premium for a professional natural scientist regardless of whether they may be rendering services in a more junior status in any other category.
 - e. It is a condition of the cover of any candidate or certificated natural scientist requiring supervision/control/direction under legislation that:
 - i. He/she be supervised and under the control of a registered professional natural scientist;
and
 - ii. The registered natural scientist providing the supervision and control must also have professional indemnity insurance in place.
3. You cannot use cover provided under this policy for purposes of what is known as a 'deductible-infill'.
 - a. This means that you cannot agree that this policy will pay up to the amount of the excess under any other policy. Should you require a policy to act as a deductible-infill under another policy to cover that policy's excess, please contact us directly for assistance and advice.
 - b. You agree that there will be no excess of loss layers above ITOO's limit of cover under this policy, unless you have made specific arrangements in writing with ITOO (through ourselves) and obtained their agreement to same.
4. **The territorial limits and jurisdiction of the cover is worldwide excluding North America and Canada.**
 - a. You understand that you only qualify for this cover if the company applying for the cover is registered in South Africa. The cover under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') is not intended to cover any company registered outside of South Africa.

- b. Cover will be provided (subject to all other terms and conditions of the policy) for South African-registered companies for services rendered outside of South Africa (so long as the services are rendered within the territorial limits) so long as:
- c. No more than 50% of turnover is derived from outside of South Africa.
- d. Last annual turnover derived from work performed in/for Australia cannot exceed 40%.

5. The basis of cover is claims'-made.

- a. This means that it is the policy that is in place at the time that the claim is made or at the time that you become aware of an incident or circumstances that may lead to a claim being made against you (whichever occurs first), which is expected to respond to cover the claim. This will not necessarily be the policy that is in place at the time that you render the services which gives rise to the claim. It is well known that claims sometimes only arise months or even years after the service has been rendered.
- b. In order to be covered by The Policy, you will need to have cover in place:
 - i. At the time that you render the services which give rise to the claim;
 - ii. At the time that you first become aware of the circumstances or incident which could give rise to a claim and notify it through to us in writing; and
 - iii. The cover should be uninterrupted between 6.b.i and 6.b.ii above, i.e. cover must have been maintained between these 2 points in time and there should be no 'gaps' in your cover.

6. The limit of indemnity that you select for the company is inclusive of all costs and expenses and therefore needs to be sufficient to cover your anticipated exposure to both claims and expenses in investigating, defending and potentially settling such claims.

7. Company, Directors and Staff.

- a. For the company to be covered under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS'), every director of that company must be named in the application and must be paid for, regardless of whether they are rendering professional scientific services or not.
- b. If the director does not qualify for SACNASP registration and is filling an administrative, legal or accounting function within the company, which is necessarily ancillary to rendering the natural science services delivered by the company, then that company may still apply for cover under the SPIIS.
- c. However, each such director, who does not qualify for SACNASP registration, will be charged the premium that applies to a professional natural scientist.
- d. The company and the directors will all be covered for the same limit of indemnity. Accordingly, the On-line Indemnity Insurance Registration System ('OIIRS') has been set to default each director's limit of indemnity to the same limit as that selected for the company.
- e. Please be aware that the limit of indemnity for the company will be the same as the lowest limit selected by any of the directors. It is therefore important that if a new

director is appointed that you ensure that his limit of indemnity is at the required level for the company and if not that the necessary changes are made by updating the On-line Indemnity Insurance Registration System ('OIIRS') and paying any additional premium that may be required to increase that director's limit of indemnity.

- f. If the company is covered by virtue of the fact that you have paid for all the directors of that company, then all the employees of your company (who do not qualify for SACNASP registration) will automatically also enjoy cover under the policy but only in respect of claims arising out of services rendered in the course and scope of their employment with your company and only insofar as the claim arises out of the provision of natural science related services.
- g. Any employees who qualify for SACNASP registration whether as a professional, certificated or candidate scientist will be automatically excluded from cover under your company's policy unless you name them and pay for cover for them under your company policy or they apply for cover in their own name and pay for it using the on-line Indemnity Insurance Registration System ('OIIRS').

8. The limit of indemnity that you select is inclusive of VAT.

- a. In terms of the Value Added Tax Act, No 89 of 1991, where an indemnity payment is made to an Insured VAT Vendor, or where an insured VAT Vendor is indemnified by the payment of an amount of money to another person (the third party) in respect of loss or damage caused by an Insured, and the loss or damage was caused in the carrying out of the Insured's enterprise, in terms of s8(8) the Insured will be deemed to have received a payment in respect of a taxable supply, and the Insured will be liable to pay Revenue Services the VAT Output tax on the amount paid to the Third Party.
- b. ITOO would indemnify you for this VAT liability if they pay out a claim to a third party on your behalf if the total amount is less than your limit of indemnity. As **the limit provided is VAT inclusive**, your limit available for the payment of claims is reduced by any s8(8) VAT payments.

9. Policy Changes and Premium Increases.

- a. While every effort will be taken to keep premium increases at the anniversary date to a minimum, premium increases will be determined largely by the numbers who have taken up the cover under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') and the claims and reported notifications against the SPIIS Scheme.

10. Claim Information and Loss Ratio.

- a. If there are any claims, potential claims or incidents which you report to Garrun CFP (or have reported to CFP Brokers previously) under this policy, Garrun CFP and the Insurers may reflect brief details of such matters on claims' statistics information which could be available to the selected representatives of SACNASP on a confidential basis, unless we receive your instructions in writing that your name is not to be disclosed in such information.

- b. Claims information may need to be provided to selected representatives at SACNASP for purposes of explaining any premium or policy changes required by insurers. We can delete your name from such information provided to SACNASP, but will only do so upon receipt of your written instructions that we are to do so. We will however, need to leave the details of the matter and amounts paid or claimed and reserves for such matters on the reports that we provide to SACNASP.
- c. Garrun CFP or CFP Brokers and the Insurers will not release any additional claims'-related information to SACNASP without your written consent (or any legal process whereby we are obliged to release such information). SACNASP will only be entitled to the 'claims' stats' and loss ratios which provide very brief details of all reported incidents and claims.
- d. All other information provided by you in the On-line Indemnity Insurance Registration System ('OIIRS') (excluding any information that you might provide with regard to your bank account and credit card details) will be available to SACNASP, insurers and ourselves for record purposes.

11. SACNASP Registration is a Condition of Cover.

- a. In the event that you report a claim, incident or complaint against you, we will first need to obtain proof from you and confirmation from SACNASP that all the directors of the company who qualify for SACNASP registration are paid-up registered scientists of SACNASP at the time of reporting the incident and also at the time that you rendered the services giving rise to the claim or complaint against you (unless you have purchased retroactive cover and you were not all paid-up scientists of SACNASP prior to applying for this cover).
- b. We will not be able to assist you and you will not be covered under this policy unless SACNASP is able to provide us with written confirmation that all directors who qualify for registration with SACNASP are paid-up registered SACNASP scientists at the time that you notify us of an incident, claim or complaint against you.
- c. It is a requirement for cover for companies that you pay for each director of the company regardless of whether or not he or she is actively rendering services or whether or not they qualify for SACNASP registration.
- d. If you take up cover under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') and only pay your SACNASP registration fees after you become aware of a potential complaint or claim against you, such claim or complaint will be excluded from the cover you take up regardless of the policy period which appears on your certificate, as it is a condition of cover that you are a paid-up SACNASP registered scientist at the time that you become aware of the potential claim or complaint against you.
- e. Alternatively, you need to be able to prove that you submitted your application for SACNASP registration to SACNASP prior to your becoming aware of a potential claim or

complaint against you and that you did not only make the application once you had already become aware of a potential claim or complaint against you.

12. Business Activities to be Covered.

- a. The cover under the policy is only intended to respond to claims arising out of services rendered which fall within the scope of natural sciences and services necessarily ancillary thereto, E.G.: accounting, legal and administrative services.
- b. If you render services which cannot be categorised as falling within the scope of natural sciences then cover obtained under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') will not cover such services.
- c. Should you require cover for services which fall outside the scope of natural sciences please contact us for assistance.

13. Limits of Indemnity.

- a. At this time, the highest limit of indemnity that can be obtained under the SPIIS for professional indemnity is R20 million for each and every claim.
- b. We can assist you with cover above the R20 million limit but you would need to complete a full proposal form in order for us to approach the market for quotes for your consideration.
- c. Should you require cover for a limit of indemnity higher than R20 million, then please complete the Non-scheme Proposal form or contact us for advice and assistance.

14. Maintaining Retroactive Cover.

- a. If you are replacing an existing insurance policy with the cover under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') and you wish to retain your retroactive cover as provided under your expiring policy, it is essential that you ensure that there are no 'gaps' in cover.
- b. This means that you must ensure that you incept this cover from the same day that your expiring policy lapses and you must ensure that you retain proof that you had this cover in place and that it was paid for.
- c. Insurers will require you to provide a copy of your previous policy schedule as proof of your retroactive cover in the event of a claim and will not provide you with retroactive cover in the event of a claim- if you are unable to furnish them with proof of previous uninterrupted insurance.

15. The cover provided under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') is provided on an annual basis and is conditional upon receipt of the full annual premium by ITOO. This cover is non-cancellable. No refunds, rebates or discounts will be given in the event that you elect to cease the cover or change to another policy during the period of the policy that you have paid for.

SECTION 9 - RECORD OF ADVICE DOCUMENT

Professional Indemnity / General and Products' Liability Insurance for Companies, Partnerships, Close Corporations and Any Other 'Incorporated Entities' Under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS')

BACKGROUND INFORMATION

1. The South African Council for Natural Scientific Professions ("SACNASP") appointed CFP Brokers to arrange a group professional indemnity insurance policy exclusively for its registered scientists.
2. In 2022, the Garrun Group acquired a majority share of YiB and CFP Brokers (Pty) Ltd. In 2024 we announced our new name: Garrun CFP—Cover for Professionals.
3. Please note the following broker appointment changes which will be made to the SACNASP Professional Indemnity Insurance Scheme (SPIIS).
 - a. All policies placed or renewed up until 31 March 2024 will be handled by CFP Brokers (Pty) Ltd as the appointed broker. FSP No: 42892
 - b. Garrun CFP (Pty) Ltd will be the appointed broker for all policies placed on or after 1 April 2025. Policies which have renewal dates on or after 1 April 2025 will move brokerage from CFP Brokers to Garrun CFP with effect 1 April 2025. FSP No: 25426
4. Only registered and paid-up SACNASP scientists are eligible to obtain cover through the SPIIS.
5. If you are not a registered and paid-up SACNASP scientist you can still apply for cover by completing the [non-scheme proposal form](#) and e-mailing it to info@cover4profs.co.za and we will obtain quotes for your consideration.
6. However- please note that it is a condition of cover under most professional indemnity insurance policies (regardless of who you place your cover with) that you are registered with any statutory authority that you are required by law to be registered with.
7. The Insurers will not check that you are registered until such time as there is a claim- and if they establish that you are not registered with SACNASP and you should be- they can then reject your claim for breach of a policy condition.

8. We would therefore urge you to establish whether or not you qualify for SACNASP registration and to register with them if you do.
9. Although they do not enforce it- it is legislated by law that you need to register with SACNASP in order to render professional services as a natural scientist if you qualify for registration with SACNASP.
10. We will be able to obtain quotes for you and will not ask whether or not you are registered- but as above- your cover may be compromised or voided if you are not registered and it is established that you should be.
11. It remains your responsibility to establish whether or not you qualify for registration with SACNASP and to register with them if you do qualify.
12. Garrun CFP / CFP Brokers, our owners/shareholders and employees disclaim all liability if you obtain cover and a claim is rejected on the basis that you were not registered with SACNASP should it be established that you should have been.

SUMMARY OF THE INFORMATION AND THE MATERIAL ON WHICH OUR ADVICE IS BASED

1. In accordance with our broker appointment and SACNASP's mandate to us, our analysis of your insurance requirements is restricted solely to your requirement for professional indemnity insurance.
2. We have used the following information in our analysis of your insurance requirements:
 - a. Information obtained during discussions with SACNASP representatives over the course of various meetings with them when we first placed the cover;
 - b. our general experience of professional indemnity product offerings available in South Africa; and
 - c. our experience in arranging insurances for our other Professional Association clients and their members.
 - d. The expiring SACNASP policy document and claims history.
3. We have also developed the Indemnity Insurance Registration System ('IIRS') to include details submitted by you when you apply for this cover in the analysis of your requirements.
4. We can assist you with any other liability insurance cover that you might require. Please will you send an e-mail to info@cover4profs.co.za if you require information and/or quotes for any of the following liability insurance covers – which are **NOT covered by this policy**:
 - a. Directors' and officers' liability insurance (directors' and officers' liability is specifically excluded under all professional indemnity policies including the SPIIS policy).

- b. Cyber liability insurance (includes cover for breach of privacy and data-protection statutes such as the POPI Act).
- c. Commercial crime cover (loss of your own money/property or money/property under your care, custody or control, as a result of theft/fraud committed by your employees or as a result of computer crime committed by third parties, eg you act on fraudulent transfer instructions).
- d. Employment practice's liability (cover for CCMA hearings and awards).
- e. Mergers and Acquisitions cover.

FINANCIAL PRODUCTS CONSIDERED

1. As our mandate was solely to obtain professional indemnity insurance cover for SACNASP members and those scientists who would like to take up this cover, this is the only financial product that we have considered to meet your requirements.
2. We have not approached various markets for quotes as ITOO have provided us with competitive renewal terms from an annual premium point of view and wide policy wording.
3. We do not generally move our schemes from one insurer to another nor advise our clients to change underwriters from one year to the next unless there are cogent reasons for doing so. When you change insurers:
 - a. You leave yourself vulnerable to significant premium increases if you ever have a claim as you would not have built up a 'premium buffer' with any one insurer.
 - b. It is more difficult to negotiate with an insurer when you need a concession or an accommodation from them as you would not have built up a history with them.
 - c. You need to be sure that you notify any circumstance which could result in a claim to the insurer during the policy period. If you do not notify the possible claim to the insurer they will not pick up the claim due to the fact they were not notified prior to expiry of the policy and the new policy/insurer will not pick up that claim as it should have been notified to the previous insurers. This in our view is the biggest risk in changing.

FINANCIAL PRODUCT/S RECOMMENDED AND BASIS OF RECOMMENDATION

Explanation of why the product or products selected, is or are likely to satisfy your identified needs and objectives:

1. When we originally placed the SACNASP professional indemnity scheme cover, we approached various markets, but Hollard underwritten by ITOO Special Risks (Pty) Limited was selected as the only feasible option as no other market was able to quote on the basis we required.

The basis of our recommendation of Hollard/ITOO, includes the following;

- a. Hollard is well-known to most members of the public, with a long-standing history;

- b. All Hollard's reinsurers are A-rated.
- c. Ability to offer quotes required on a 'scheme' basis with all the extensions of cover that we requested;
- d. Competitive premiums;
- e. Comprehensive policy wording and extensions when we compare our bespoke policy wording to wordings of competing insurers in this line of insurance;
- f. Professional and experienced underwriting and claims' handling team;
- g. ITOO is a reputable underwriter and their Liability Division, is comprised of an experienced team many of whom have a long history of involvement in the field of professional indemnity insurance.

GENERAL ADVICE PROVIDED TO YOU

1. If you are using this insurance to replace any existing insurance that you have in place, please ensure that you incept this cover from the date that your existing insurance lapses, otherwise you will have a 'gap' in your cover. You will be required to keep copies of previous policy documents as evidence of your entitlement to retroactive cover.
2. The content of the documents referred to in the application or renewal process (which you would have confirmed reading) are deemed to be included in this record of advice and you are urged to read the contents carefully, particularly with regard to issues of retroactive cover, replacing another product with the cover provided by this policy and cover for corporate entities.
3. Before you decide whether or not this insurance satisfies your requirements, please read this document, The Policy Document, Disclosure Document very carefully.
4. Please let us know if you require explanation or clarification of anything that you are unsure of so that you are able to make an informed decision with regard to whether or not the cover provided under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') will properly meet your requirements.

Kind regards



Noleen Podrouzek
Tel: (011) 794 6848

E-mail: Noleen.podrouzek@garrun-group.co.za