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FSP 35482

## PROFESSIONAL INDEMNITY EXCESS WAIVER INSURANCE (PROFSAVE)

Insurer: Renasa Insurance Company Limited

FSP No. 15491

This brochure is an informative document and is always superseded by the specific Policy Wording

## PREMIUM

The premium for this product is determined by the following factors:

- 1) Excess value of the underlying policy
- 2) Number of representatives

## OVERVIEW

Professional Indemnity Excess Waiver is a commercial insurance policy which insures the excess you have to pay on your Professional Indemnity policy (primary policy), providing the primary policy responds.

If your claim falls **within** your Excess on your Primary Policy, then this policy will **not** respond.

Should your claim fall **within** your excess of the Professional Indemnity policy (primary policy), the Underwriter will **only** consider the claim so long as there was a ruling from any statutory Ombud or any competent Civil Court within the Republic of South Africa, **finding you liable**, but not exceeding the amount stated on the schedule.

The product works on a trigger basis, which means that if your underlying Professional Indemnity policy, entertains/ responds to a claim, the product will cover the excess as stated on the schedule (**no inner excess will apply**).

Legal fees are **excluded** in respect of any claim within your excess and compensation would be for damages only.

The Minimum limit of indemnity is based on an excess of R10,000 and a Maximum of R350,000. Cover.

The premiums are determined by the number of representatives and the amount of cover required. Importantly, each individual representative enjoys the amount of cover stated in the schedule. This is, however, an annual limit. For example, if the cover is R100,000 and the representative has a claim of R60,000, then they may only claim up to R40,000 for the balance of the policy period and thereafter they will have exhausted their limit for the year. The company will, in essence, need to purchase another policy to enjoy further cover.

**Clients are advised to check the terms of their underlying policy which may have a double excess provision to ensure that the limits requested on this policy sufficiently covers this.**



## FREQUENTLY ASKED QUESTIONS

### What is Excess Waiver

This cover insures your primary excess, providing the insurer entertains/ settles the primary claim.

#### 1) What does the Insured Mean?

Any group or any individuals (natural persons) stated in the Schedule.

#### 2) What does a clerk mean?

A clerk that is a representative on the FSP register, who is not actively involved in giving advice or intermediary services to a client or group of clients, does not need to be stated on the Schedule, and will be indemnified in terms of this policy through the Key Individual or representative he or she reports to.

#### 3) What does Primary Policy mean?

The underlying Professional Indemnity Policy that is held by the Insured.

#### 4) What does basis of claim mean?

The requirements as set out in the Primary Policy that result in a successful claim being made against and settled by the Primary Policy.

#### 5) What does a group mean?

More than twenty representatives within one professional practice and or FSP.

#### 6) A claim means:

In respect of all claims resulting from the same civil proceeding, act, error or omission or series of civil proceedings, acts, errors or omissions arising out of the same cause or the same civil proceedings, acts, errors or omissions of one person or persons acting together or in which such person or persons is/are concerned or implicated are deemed to be one claim for all purposes of this Policy, that is admitted by the Primary Policy.

#### 7) Does the Excess Waiver apply when the claim against the Primary Policy falls within the excess of the Primary Policy?

Where the claim is not covered by the Primary Policy because it falls within the Primary Policy excess, then this policy will **only** respond if the Insured has been found liable by an Ombud (inclusive of the FAIS Ombud) or civil proceeding. ( subject always to the terms and conditions of the Primary Policy wording).

#### 8) What does an inner excess mean?

In the event of the primary policy, not responding, due to the claim amount, falling within the excess of the primary policy, then 15% of the claim against this policy will be referred to as an

inner excess in the event that the claim does not exceed the insured amount as stated on schedule.

#### **9) What does indemnity mean**

The Insurer shall indemnify the Insured up to the limit of indemnity shown in the policy schedule but not exceeding the first amount payable (hereinafter called “the excess”) paid or due to be paid by the insured in respect of any claim made by the insured against the Primary insurer and for which the Primary insurer has accepted liability or where the Primary insurer has settlement the claim made by the insured.

8(a): Where the claim is not covered by the Primary Policy because it falls within the Primary Policy excess, then this policy will respond provided the Insured has been found liable by an Ombud (inclusive of the FAIS Ombud) or civil proceeding, subject always to the terms and conditions of the Primary Policy Wording.

#### **10) Exclusions:**

The Insurer shall not indemnify the Insured in respect of any loss arising out of any claim against them

- a) Which has not in the first instance been settled in terms of the Primary Policy
- b) resulting from any circumstances or occurrence which is either known to the Insured at the inception of this Policy and likely to give rise to a claim against which the Insured would otherwise be entitled to be indemnified or has been notified under any other insurance attaching prior to the inception of this policy. From any action or occurrence during the first three months from the inception of the policy.

Where the quantum of the loss falls within excess of the Primary policy, subject to their discretion, the insurers shall not indemnify the Insured in respect of any legal costs and expenses incurred by the insured without the insurers consent.

#### **11) Claim Notification:**

If an event occurs, giving rise to or likely to give rise to a claim the insured must notify the insurer within 31 (thirty-one) consecutive days of the event coming to the insured’s knowledge and as soon as reasonably possible thereafter. The insured may not make any admission of blame or liability, statement, offer, promise, payment or indemnity without the written consent of the insurer, failing which the insured may forfeit any and all indemnity in respect of this policy.

#### **12) What does Recovery mean?**

The insurer is entitled to any recovery that may occur as a result of a successful claim under the Primary Policy. The basis of the recovery will either be subject to the indemnity amount stated

on the schedule, or a percentage of the entire recovery as agreed to from time to time with the underwriter of the Primary Policy.

### **13) What is the Cancellation process?**

The insured can cancel the policy at any time by writing to the insurer. The insurer can cancel or change the insured's policy by giving the insured 31 (thirty-one) days' notice in writing by electronic mail, fax or by post to the insured's last known address.

### **14) What is the Payment Procedure?**

- The premium must be paid in advance on the first day of every month, unless otherwise agreed in writing. Payment by the insured is made via a debit order and the insured has to give the insurer permission to deduct premiums from a bank account as specified by the insured. If the insurer does not receive the premium by the due date a 30 (thirty) day grace period will be granted by the insurer from such due date, If payment of the premium is not received, the policy will be cancelled automatically from the original due date. Should the insured have a claim during the grace period of 30 (thirty) days mentioned above, the insurer will only process the claim after receipt of the premium on or before the expiry of the grace period. The insurer may change the amount of premium payable under this policy at any time, but if the insurer do, the insurer will give the insured 30 (thirty) days' written notice of the change.

### **15) Stop Payment**

If the insured places a stop payment on the premium, this policy will automatically be cancelled from the date the premium was due to be paid.

### **16) Duration of the Policy**

Cover runs for a calendar month and is renewed on a monthly basis.

### **17) Refund Premium**

If the insured cancels the policy no premiums will be refunded; if the insurer cancels the policy, the insurer will retain the customary short-term premium. If the insured has a claim in the cancellation period, no premiums will be refunded.

### **18) Run-off cover**

- In the event of a representative leaving the employ of the insured, any claim which is lodged against the insured which would, but for the fact that the loss falls/fell within the excess payable of the underlying /Primary policy, will be accepted by the insurer as a loss under this policy.
- Subject to an annual limit of R500,000 for Groups (defined as more than 20 representatives), and an annual limit of R150,000 for Individuals (20 representatives or less).
- The maximum indemnity on any one claim, any one year, will be up to the amount stated on the schedule but not exceeding the annual aggregate limit provided for in this endorsement.

- The max time limit for a valid claim is one year following the departure of the guilty employee **named** in the schedule.

#### 19) New Representatives and/or Acquired Companies

This Policy extends to indemnify any new representative(s) and/or acquired subsidiary and/or any new and/or acquired associated company, which is included in the Primary Policy, subject to full satisfactory details being lodged with Insurers as soon as practicable and subject to the exclusion from this Policy of any claim or circumstance known to the Insured and/or such subsidiary and/or associated company at the date cover attaches hereto and further subject to an additional premium to be agreed by Insurers if required.

#### 20) Retroactive Date

The Insurer shall not be liable to provide indemnity hereunder for any events which occurred prior to the Retroactive Date stated in the Schedule of the Primary Policy, provided that nothing contained within this condition shall be interpreted as releasing the Insured from their obligation to reveal as material fact, all details of claims made or outstanding or events likely to give rise to a claim.