SHA PROFESSIONAL INDEMNITY

Name of Insured

Blackhound Enterprises (Pty) Ltd

Name of Broker

Risk Benefit Solutions (Pty) Limited

Broker Email

Kathie.Watson@rbs.co.za

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THE INSURED

Blackhound Enterprises (Pty) Ltd

VAT REGISTRATION NUMBER

Not Applicable

BUSINESS DESCRIPTION

Architects, Interior Designers and Town Planners - Architectural / Design / Planning Work

Including all past, present and future similar activities of the Insured and where appropriate, property owners and tenants, the provision of canteen, social, sports, first aid, fire fighting and welfare facilities for the benefit of the Insured's staff

THE INSURERS

Santam Limited (Reg No 1918/001680/06)

Vat Reg No 4440102095

TERRITORIAL LIMITS

Worldwide but not in connection with any business carried on by the Insured at or from premises within or any contract for the performance of work within North America other than as specifically provided for herein.

DECLARED VALUES USED TO PREPARE THIS QUOTE:

Current annual turnover - Not Applicable

Annual fee income: R810 000,00

Number of employees: 2

Asset Value - Not Applicable

Third party funds - Not Applicable

Please ensure these figures are accurate as they do have a bearing on the premium and a failure to disclose accurate figures may jeopardise cover.

SHA risk specialists   a division of Santam

Quote Number: PU-HGO686389

The following is a summary of the premiums for the cover types selected

Cover	Limit Per Claim	Limit Per Period of Insurance	Deductible (per claim)	Premium
Profession Indemnity and Extensions				
Professional Indemnity	R5 000 000	Each Occurrence	R10 000	R6 523,08
Liability Following Employee Dishonesty	Included In Professional Indemnity	Included In Professional Indemnity	R10 000	Included In Professional Indemnity
Loss of Documents	R100 000	R100 000	R2 500	R71,00
Fee Recovery	R250 000	R250 000	R5 000	R106,00
Sub Contracted Duties	Included In Professional Indemnity	Included In Professional Indemnity	R10 000	Included In Professional Indemnity
Claims Preparation Costs	R100 000	R100 000	R2 500	R64,00
Joint Venture and Consortium Agreements	Included In Professional Indemnity	Included In Professional Indemnity	R10 000	Included In Professional Indemnity
Other Covers				
Directors and Officers	Not included	Not included	Not included	Not included
Public Liability	R5 000 000	Each Occurrence	R10 000	R1 500,00
Defamation	R1 000 000	R1 000 000	R10 000	R125,00
Employers Common Law Liability	R5 000 000	Each Occurrence	R0	Included in Public Liability
Employment Practices	Not included	Not included	Not included	Not included
Statutory Defence	R2 500 000	R2 500 000	R10 000	R188,00
Wrongful Arrest	R2 500 000	R2 500 000	R10 000	R106,00
Personal Accident (schedule of compensation)	Maximum Compensation per person	Compensation per claim	Deductible	Premium
Death	Not included	Not included	Not included	Not included
Permanent Disability	Not included	Such % of Not included as specified for particular disability	Not included	Not included

Temporary Disability	Not included	Actual Salary to a maximum of Not included per week, for maximum of 52 weeks	As per policy wording	Not included
Emergency Expenses	Not included	Up to maximum depending on expense	R250	Not included
	Total Due (pa)			R8 683,08
	Total Due (monthly)			R723,59 monthly

SPECIFIC SUBJECTIVITIES AND ENDORSEMENTS

Deductibles:

The deductible in respect of contracts where the Insured is appointed as Project Manager is increased to R 20,000 each and every claim.

The deductible in respect of Low Cost Housing Projects is R 5,000 per unit a maximum of R 50,000 each and every claim.

Geotechnical Deductible

It is hereby noted and agreed that the deductible in respect of claims arising from work based on inadequate of sub-standard geotechnical reports / surveys will be increased to twice (2x) the Professional Indemnity deductible, subject to a minimum of R 150,000 each and every claim.

Endorsements

1. Endorsement applicable to Personal Accident section only

The deductibles in respect of this section are:

Temporary Total Disability (accident) = 1 week each and every claim

Temporary Total Disability (illness) = 4 weeks each and every claim

Medical Expenses = R500 each and every claim

GENERAL SUBJECTIVITIES

ALL SHA EVOLUTION PROFESSIONAL INDEMNITY BUSINESS IS INCLUSIVE OF 20% BROKER COMMISSION.

A. COVID-19 / Infectious Disease Exclusion (only applicable to policies where the Period of Insurance incepts on or after 01 June 2020)

Broker Fees (Only applicable if reflected on the premium statement)

The Brokers to this transaction have requested the Insurer to include a Broker Fee in the Policy Schedule (as indicated in the premium statement).

This Broker Fee is payable by you/the Insured to the Broker for additional services rendered by the Broker to you/the Insured and is merely facilitated/collected by the Insurer on behalf of your Broker.

The Broker has further confirmed that you/the Insured has agreed to the payment of this Fee in writing and that you understand that the services offered by the Broker do not amount to services for:

a) entering into, varying or renewing of my policy;
b) maintaining, servicing or dealing with my policy;
c) receiving, submitting or processing claims in respect of my policy.

Notwithstanding anything to the contrary in this Policy, this Policy does not provide any indemnity whatsoever for any claim, loss, liability, damage, cost, expense, judgement or award of any kind whatsoever which is or is alleged to be directly or indirectly caused by, based upon, contributed to, arising from or is in any way, directly or indirectly related to:

1. Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) or any variant or mutation of such virus; and/or
2. Coronavirus disease (COVID-19) or any variant or mutation of such disease; and/or
3. Any Infectious or Communicable Disease (whether asymptomatic or not), virus, bacterium, parasite and/or microorganism; and/or
4. Any epidemic, pandemic or health emergency declared or classified as such by the World Health Organization or any national, regional or local governmental authority; and/or
5. Any fear or threat of 1, 2, 3, or 4 above, whether actual or perceived.

For the purposes of this exclusion an Infectious or Communicable Disease is any infection or disease which can be transmitted by means of any substance or agent from any organism to another organism where:

1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variant or mutation thereof, whether deemed living or not, and
2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
3. the infection, disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of any property.

If the Insurers allege that, by reason of this exclusion, this Policy does not provide any indemnity, the burden of proving the contrary shall rest upon the Insured.

All other terms, Conditions and Exclusions of this Policy remain of full force and effect.

B. Retro Active Date:

Renewals: Per expiry, however at inception on increased limits*

New Business: Upon inception with SHA unless, specifically agreed, or proof of previous uninterrupted Claims made cover has been provided, whereupon the Retro Date on this expiring policy would apply.

C. If the insured opts to take up the coverage in this quotation the following conditions will apply to premium payments:

1. Payment in Monthly Instalments:-
In consideration of the Insurers having agreed, at the request of the Insured, to allow the Insured to pay the Annual Premium by monthly instalment on debit order, the Insured accepts and agrees to the following:
1.1 The monthly instalment shall be payable in advance to Insurers on the first day of each month. There is no Grace Period applicable to the first instalment.
1.2 In the event of the Insurers not receiving the instalment, this insurance shall continue in force until the date of the next monthly debit order collection (Grace Period) to allow for payment of the missed instalment. The Insurers will present the Insured's debit order again and collect it with the debit order for the following month. If both premiums are collected this insurance shall remain in force. In the event that both debit orders cannot be collected this insurance shall be deemed to have been cancelled on the last day of the last month for which an instalment was received by Insurers.
1.3 Reinstatement of this insurance shall be at the sole discretion of the Insurers.
1.4 In the event of notification of any claim or notification of circumstances during the Period of Insurance that may lead to a claim when an unpaid monthly instalment 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.
1.5 Subject otherwise to the terms, Exclusions, Conditions and limitations of the Policy.

2. Payment in One Annual Instalment:-
2.1 In the event that the Insured pays the Annual Premium in one instalment it shall be payable in advance to Insurers.
2.2 In the event of the Insurers not receiving such 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.
2.3 Reinstatement of this insurance shall be at the sole discretion of the Insurers.
2.4 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.
2.5 Subject otherwise to the terms, Exclusions, Conditions and limitations of the Policy.

D. Cooling off rights

The Insured enjoys a period of 14 (Fourteen) days ('cooling-off period') from receipt of the 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 Occurrence to the Insurer, the insurance agreement is annulled and the Insured will be entitled to a 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.

EXPLANATIONS OF COVER IN OUR EVOLUTION PROFESSIONAL INDEMNITY POLICY

These are high level explanations of cover for illustration purposes only. Brokers and Policyholders must consult the Evolution Pro policy wording for full details of terms, conditions and exclusions.

Professional Indemnity

Legal liability insurance that covers both legal defence costs and damages arising out of the insured's professional services and duties. Compensation would be claimed by a third party alleging that the insured has caused a loss through professional neglect, error or omission.

Liability following employee dishonesty extension

An extension to a professional indemnity policy that covers both legal defence costs and damages arising out of the dishonest, fraudulent or malicious act or omission of any employee. The extension does not provide any indemnity where the guilty party is a director, partner or principal of the insured. Also not to be confused with fidelity guarantee cover which is more appropriate to cover financial losses sustained by the insured when the property or money stolen actually belongs to the insured.

Sub contracted duties extension

An extension to a professional indemnity policy that covers both legal defence costs and damages arising out of the professional activities undertaken by another party on behalf of the insured. Such duties would be subcontracted or "sub-let" by the insured. Compensation would be claimed by a third party alleging that the sub-contractor (appointed by the insured) has caused a loss through professional neglect, error or omission.

Joint ventures and consortium extension

An extension to a professional indemnity policy that covers both legal defence costs and damages arising out of the professional activities undertaken in a joint venture agreement or consortium agreement the insured may enter into.

Fee Recovery Extension

An extension to a professional indemnity policy that covers legal costs and expenses incurred by the insured in connection with legal proceedings initiated by the insured for the recovery of outstanding fees owed to the insured.
This extension is unusual in that it really provides first party coverage where the insured is initiating the legal action, rather than the defence based cover seen in most liability policies.

Important note regarding this extension
- It is very important that the insured consult with the insurers, prior to initiating legal proceedings

The insured has to demonstrate the following:
- That there are reasonable prospects of a successful recovery
- That there is a reasonable probability that a counter claim could be instituted against the insured, under the PI policy, by the third party against whom the insured is taking action.

This is common where the third party is witholding the insured's professional fees because they are unhappy with the professional services rendered by the insured.

What is excluded?
The same exclusions that apply to the PI section apply here too.
It is worth noting that the extension carries a 20% deductible.

Who could benefit from it?
- Assessors, Estate Agents, Environmental Consultants, Occupational Health and Safety professionals, Architects, Engineers, Surveyors and Project managers.

This cover is not available to the following professions:
- Legal and Accounting professions
- BEE Verification Agencies

Claims Preparation Costs Extension

In the ordinary course of events, when an insured professional wishes to submit a claim under their PI policy, they would have to first prepare their claims submission. The costs of this preparation process could be relatively expensive given the complex nature of PI claims. This extension to a professional indemnity policy covers those reasonable costs.

Fidelity Guarantee Extension

An extension to a professional indemnity policy that covers the insured against the loss of or damage to property or money or any other direct pecuniary loss. Pecuniary means "of a financial nature" as a result of fraud or dishonesty committed during the period of insurance by any Director, Partner, Principal, Employee of the insured. The extension differs from "liability following employee dishonesty" as in this case, the property or money stolen actually belongs to the insured. The cover also extends to directors, partners and principals whom are excluded from the aforementioned liability extension.

Loss of Documents

Legal liability for the costs and expenses of restoring or replacing lost or damaged third party documents.

Public Liability

Liability for damage to third party property or injury to third parties either on the premises or as a result of work away. Cover automatically includes Contractors Liability, Work Away, Spread of Fire, General and Tenants and Property Owners Liability.

Statutory Defence Costs

Costs and expenses incurred by the insured in defence of the insured or employee for an alleged breach of any statute. Note that the Competitions Act, Companies Act and any statutes governing ownership, use or licensing of vehicles, aircraft and watercraft are excluded.

Wrongful Arrest and Defamation

Legal liability for compensation following allegations of wrongful arrest, assault and defamation.

Employers Common Law Liability

Legal liability for damages for and arising out of injuries to employees (note this excludes COID claims).

Employment Practices

Labour dispute insurance and covers the employer for defence costs and damages following a CCMA or Labour Court case brought by an employee for unfair dismissal, discrimination or sexual harassment.

Directors and Officers

Legal defence costs and damages cover for the directors and officers (senior management) of the insured where they have actually or are alleged to have breached their fiduciary duties.

Death

Provides a death benefit for employees where death was a result of an accident only (excludes Illness and natural causes).

Permanent Disability

Based on the relevant percentage applicable for the specified disability, as noted in the Continental Scale found within the Policy Wording

Temporary Disability

Total incapacity from work for a recovery period specified by a medical practitioner.

Emergency Expenses

Costs incurred as a result of an accident that are not recoverable from or payable from a medical scheme (due to unavailable benefits and /or funds being unavailable).

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