

Proposal Form Security Company Liability

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Registration number: 1918/001680/06



Santam is an authorised financial services provider (FSP 3416),
a licensed non-life insurer and controlling company for its group companies.

Article I. This is a proposal for a 'claims made' policy

The policy will only respond to claims and/or circumstances, which are first made against the Insured and notified to the Insurer during the policy period. The policy will not provide cover for:-

- Events that occurred prior to the retroactive date of the policy.
- Claims made after the expiry of the policy period even though the Wrongful Act giving rise to the claim may have occurred during the policy period.
- Claims notified or arising out of facts or circumstances notified under any previous policy or noted on the current proposal form or any previous proposal form.
- Claims made, threatened or intimated prior to the commencement of the policy period.
- Facts or circumstances in your knowledge prior to the policy period, which you knew had the potential to give rise to a claim under the policy and which were not disclosed.

DISCLOSURE

You must disclose to the Insurer all information which is material to it in deciding whether to issue insurance cover to you, including any facts or conduct which might lead to a claim being made against you. Failing to do so could affect your entitlement to indemnity.

If you do not understand any part of this document, please contact your Broker BEFORE YOU SIGN IT. You will be bound by the answers, which are given, and by the information provided by you in this proposal form. It is in your interest to make sure that all information is correct and properly understood.

WHEN IN DOUBT CONTACT SANTAM FOR ASSISTANCE

ONLY FULLY COMPLETED PROPOSAL FORMS WILL BE ACCEPTED

ATTACHMENTS

The following documents are required to accompany a completed proposal form- please indicate by ticking the boxes that these are in fact enclosed:

1. **Standard client contract agreement**
2. **Company brochure/ additional information**
3. **Claims information (if relevant)**
4. **Copies of PSIRA Registration Certificates**
Level of Company Grading

Start-up Companies

1. **Copies of Key Personnel's CVs**
2. **Business Plans and financial forecasts**
(Please attach details where insufficient space is provided)

DETAILS OF THE INSURED

1. Full name of the Proposer
2. Company registration number
3. Company VAT number
4. Registered address
incl. postal code
5. Postal address
incl. postal code
6. Client's contact person
7. Client's contact telephone number
8. Client's contact e-mail address
9. Attach details and addresses of premises owned and/or occupied by the proposer (not contract sites)
10. Client's website address

11. Present Legal Constitution

Sole Practitioner

Partnership

Incorporated Co.

Limited Co.

Close Corp.

Other

12. Are any branches of the Proposed Insured located outside of South Africa?

NO YES

If **YES**, please provide full details.

13. Due to Santam's FSCA Licensing status and in light of the requirements set out in the Protection of Personal Information Act 2013 (POPI) we are not strictly speaking allowed to contact you directly and would generally communicate with you via your broker. However there may be instances where we may need to contact you directly in order to advise you of important matters relating to your Policy. Therefore please indicate below how you prefer to be contacted in the unlikely that we should need to contact you directly.

SMS

E-Mail

Phone

Mobile

Post

ACTIVITIES IN WHICH ENGAGED

1. Provide percentage breakdown of guard, armoured car, patrol and investigative operations by category (total 100%)

Airports (Total Exclusion)	%	Consulting*	%	Condominiums	%
Strike Work (Total Exclusion)	%	Repossession / Collection Work*	%	Train Stations/Railways	%
Schools*	%	Record Checks*	%	Warehouses	%
Churches*	%	Credit / Pre-Employment Checks*	%	Manufacturing Plants	%
Body Guards*	%	Child Search / Missing Person*	%	Retail Stores	%
Hotels / Motel*	%	Insurance Investigation*	%	Malls	%
Fast Food Outlets*	%	Arson Investigation*	%	Car Dealerships	%
Liquor Stores*	%	Banks*	%	Concerts (Specified)	%
Bars / Night Clubs*	%	Government	%	Athletic Events (Specified)	%
Restaurants / Lounges*	%	Hospitals	%	Process Serving	%
Courier / Money Escort*	%	Offices	%	Alarm Response	%
Shoplifting Surveillance*	%	Construction Sites	%	Other (Provide details)	%
Employee Surveillance*	%	Residential Patrols	%	Please provide details:	
Polygraph Testing*	%	Apartments	%		

****NB**** Any risk directly or indirectly involved at any Airport or Airfield and /or Strike Work is a totally excluded risk

2. Detailed Business description:

3. Detail Special Events and Crowd Control work (type of events, clients, duties, etc.):

5. Describe fully all retail (stores, supermarket, etc) operations:
(Clients, duties, during or after business hour, uniform or civilian attire, etc.)

STAFF DETAILS

1. Number of Guards:

Part Time	Full Time	Total
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Number Armed	Number with Firearm Permits / Licenses	Number of Investigators
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Part Time	Full Time
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Should a contract call for the provision of Security Personnel and accompanying guards dogs, the minimum standards in terms of Government Gazette No. 19067 (Board Notice 120) and Government Gazette 19740 (Board Notice 15) dictate that:

- Dogs must obtain training at a PSIRA accredited dog training and dog supplier centre.
- All Security Personnel working with dogs must be trained at a PSIRA accredited dog training centre.
- All dogs used must be able to be readily identified.

2. Where are armed guards stationed?

3. Number of Dogs

4. How and where are dogs used?

5. Number of Horses

6. How and where are Horses used?

7. If animals are used, please confirm details of the training courses of both:

Animal:	Handler:
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8. Please specify any specific rules and regulations applicable to the use of these animals such as compulsory resting periods, feeding intervals, accommodation, etc.

9. Please break down the current Staff complement into the Grades of Security Officers:

Grade A	Grade B	Grade C	Grade D	Total
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(In respect of "Armed Guards" only Grade A and Grade B will be accepted)

Specialist | Liability

10. Please tick that which is applicable:

	Full time		Part time	
	YES	NO	YES	NO
a) Do you retain, in the employee records, a copy of the original Registration Certificate issued by the Security Officers Board				
b) If the answer to a) is “No”, or if the Employee is not in possession of the original Registration Certificate, do you obtain a certified copy from the Security Officers Board?				
c) If an applicant for employment is in possession of an original Registration Certificate, do you confirm such registration with the Security Officers Board?				
d) Do you investigate and confirm previous employment records of applicants for employment?				

11. It is a requirement of the Insurance that all Staff be trained in institutions/facilities accredited by the Private Security Industries Regulatory Authority. Please confirm such training and the institution used by the Proposer for this purpose:

Institution/Facility	Accredited	
	YES	NO

12. Are the Staff required to undertake regular refresher training courses?
(In the event of a claim, a copy of the latest PSIRA Certificate will be required)

NO YES

If YES, is prior approval required from Head Office / parent company?

NO YES

13. Describe hiring practice and pre-employment screening procedures:

14. Does proposer operate a guard training school?

NO YES

If YES, supply annual number of students:

TURNOVER DECLARATIONS

1. Annual Turnover achieved for the last 3 years:

Year	Year	Year
R	R	R



2. For the purposes of the assessment of the risk:

- “Warden Services” shall mean the provision of Static Guards and Dogs at Domestic, Commercial and Industrial Premises.
- “Special Event Security Services” shall mean contracts for General Security, Access Control, Parking and Crowd Control in respect of individual exhibitions, sports meetings, concerts, conferences and events of a similar nature.
- “Access Control” shall mean the control of access to and exit from Commercial and Industrial Premises.
- “Goods Despatch” shall mean the inspection and confirmation of goods leaving Commercial and Industrial Premises.
- “Control Centre Monitoring and Response to Alarm Systems” shall mean contracts for the monitoring of and response to the activation of alarm systems.

Notes:

- Where alarm systems are installed to monitor Warden Services, this is treated as a back-up to, and included in the cover for, the Warden Services.
- If the Proposer is seeking cover for this Service, the Service must be approved by S.A.I.D.S.A.
- “Security Consultants” shall mean the provision of such consultancies as a revenue earning activity of the Proposer, i.e. in exchange for a fee.
- “Training Centres” shall mean the provision of security training to outside personnel as a revenue earning activity of the Proposer.

3. Break down **Estimated Annual Turnover** between Contracts involving Firearms and those where Firearms are not required: (Monetary Values).

For the purposes of calculating an equitable Premium, the Estimated Turnover for the forthcoming twelve months must be allocated to the various categories. Please ensure that the Turnover amounts entered are inclusive of Value Added Tax and represent the annual amounts budgeted for in the various Categories of Contract for the next 12 months.

Service Contracts

Warden Services, Access Control & Goods Dispatch

Special Event Security Services Not Applicable

Alarm Monitoring and/or Response

Advice given for a fee (Professional Indemnity)

Escort Services - Banking & Payroll Services

Escort Services - Other Goods

Bodyguards

Undercover Agents

Security Consultancies

Training Centres

Medical Response / Ambulance Services Not Applicable

Supply, Installation & Maintenance of Detection, Access Control & Alarm Systems

Other Security Services (please define)

Sub-Total

	With Firearms	Without Firearms
R		R
Not Applicable		R
R		R
Not Applicable		R
R		Not Applicable
R		Not Applicable
R		R
R		R
Not Applicable		R
R		R
R		R
Not Applicable		R
R		R
R		R

Grand Total Estimated Annual Turnover:

CLAIMS EXPERIENCE

1. Have any claims ever been made against the proposed Insured / Partners / Directors / Members or Employees for the type of cover for which you are now applying, whether in terms of this Proposal or any other Proposal / Policy for the same type of cover (including but not limited to Special Event Security Services)?

NO YES

If **YES**, please provide full details:

Specialist | Liability

2. After enquiry, are any of the Proposed Insured / Partners / Directors / Members or Employees aware of any circumstances which would be covered under a policy of this type, or any other policy for the same type of cover (including but not limited to Special Event Security Services), that may result in any claims or any possible claims being made against them? NO YES

If YES, please provide full details:

If YES, question 1 or 2, please confirm in detail, future precautions implemented to avoid or minimise the risk of these circumstances occurring again.

DETAILS OF THE INSURED

1. Are you at present or have you in the past been Insured?

If YES, please provide the following details: NO YES

Name of Insurers

Date cover expires/d

Expiry of "Run-off" cover (if any)

Limit of Liability

Excess applicable

2. For the type of Insurance now being proposed, has any Insurer ever:

a) Declined a Proposal or renewal?

NO YES

b) Required an increased premium or imposed special terms?

NO YES

c) Cancelled an Insurance?

NO YES

If YES, please provide full details.

QUOTATIONS REQUIRED

1. Limit any one period of insurance inclusive of costs and expenses

R

R

R

2. Do you require a quote on one or two reinstatements of the Limit during the period of Insurance?

NO YES

3. If YES, please tick the appropriate box:

ONE TWO

ADDITIONAL OPTIONAL EXTENSIONS

See "Extension Covers" page 12 for details

1. FIREARM CONTRACTS

NO YES

- Limit maximum 50% of the Security Liability Limit, if the underlying limit is in excess of R1 000 000
- Attached are Insurers' minimum requirements for inclusion of the Firearms Extension in the cover, together with a summary of the cover which will be provided. It should however, be noted that Insurers may elect not to grant cover even if Firearm Contracts are undertaken by the Proposer.

Firearms

- Where Armed Security Services are provided by the Proposer, please give details of Training Facilities used and that such Facilities are accredited with the Security Industries Regulatory Authority.

Institution/Facility	Accredited	
	YES	NO

2. FIDELITY RISK

This is not a Fidelity Guarantee policy and can be summed up as protection against liabilities towards third parties.

NO YES

Indemnity Limit options per event: R 250,000 OR R 500,000 in the aggregate:

R

3. SPECIAL EVENT SECURITY SERVICES

Definition: Special Event Security Services" shall mean contracts for General Security, Access Control, Parking and Crowd Control in respect of individual exhibitions, sports meetings, concerts, conferences and events of a similar nature.

NO YES

Type of Events for which these Services are offered (e.g. sports events)	Duties of the Security Personnel at these Events (e.g. Access Control)	Types of venues at which these Events take place (e.g. stadiums)

Should the insured be tendering on, or have been awarded, a contract for the provision of special event security services full underwriting information must be provided to underwriters for their written agreement and terms.

5. SPECIAL EVENT SECURITY SERVICES

Definition: Special Event Security Services" shall mean contracts for General Security, Access Control, Parking and Crowd Control in respect of individual exhibitions, sports meetings, concerts, conferences and events of a similar nature.

NO YES



6. EMPLOYERS LIABILITY RSA ONLY (INCLUDING EMPLOYEE TO EMPLOYEE)	Automatic cover
7. CLAIMS PREPARATION COSTS	Automatic cover
8. PROFESSIONAL INDEMNITY	NO YES
9. PRODUCTS LIABILITY INCLUDING DEFECTIVE WORKMANSHIP	NO YES
10. ADVERTISING LIABILITY	NO YES
11. EMPLOYMENT PRACTICE LIABILITY	NO YES
12. MONEY IN TRANSIT	NO YES

KINDLY TAKE NOTE OF THE FOLLOWING

In an attempt to assist the Insured to mitigate its risk exposure, Insurers request that the Insured take the following points under consideration when entering into contracts for the provision of security services.

1. The Target & The Criminal Intent

The target will always be the Client or his property and it will always be the intention of any criminal to gain entry into/onto the Client's premises without being detected, no amount of security protection, whether in the form of Wardens/Guards or Detection Equipment, will prevent such incidents from occurring.

2. The Security Services Contract

Security Services should be stipulated to merely act as a deterrent against injury or loss from theft/break-ins etc and the Contract should not include any guarantees or warranties that the Security Contractor will be able to prevent loss, etc.

The Security Contractor should (as far as possible) only accept liability for losses arising due to failure to properly/adequately carry out the services as could be expected from reasonable security guard in the specific circumstances giving rise to a loss.

In situations where a Security Contractor has been instructed by the client to arrest persons suspected of theft/shoplifting etc it is suggested that any liabilities arising from such arrests, where the security personnel have carried out their duties appropriately, remain with the client (i.e. that the contract stipulate that the Client accepts responsibility for these incidents).

The Insured should understand that an insurance policy does not cover all losses, i.e. there are excluded and uninsurable risks, and the Security Contractor must satisfy himself that the contract conditions are acceptable to him in the normal course of the business and, more particularly, in relation to the uninsured risks.

3. Policy Conditions (precedent to liability of Insurers)

The Insured is referred to the below Policy Conditions (under the Security Services Liability Section of the Policy) that are specifically stated to be conditions precedent to the Insurer's liability to indemnify the Insured, in other words Insurer's have the right to refuse indemnity if the condition is not complied with. It is therefore suggested that the Insured consider imposing similar obligations on its Clients in terms of its Security Services Contracts.

- The Insured shall take all reasonable steps to ensure that all keys on the Security Site (other than keys left with the Security Personnel for access to the premises or parts thereof for the purposes of carrying out their duties) shall be locked away and inaccessible to the Security Personnel and all keys to all vehicles on the Security Site are locked away and not accessible to Security Personnel.
- The Insured shall take all reasonable steps to ensure that, where the Security Site comprises motor vehicle showrooms, car lots or similar yards for the storage of vehicles and to which the general public shall have access after business hours, access to or egress from such showrooms, car lots or yards, other than by pedestrians, shall have been protected in such a manner that no vehicle could be removed from the Security Site without being damaged.
- Security Sites shall provide the Security Personnel with all reasonable facilities relating to accommodation, warmth and communications to enable such personnel to carry out their duties in the manner expected of them.

EXTENSION COVERS

1. FIREARM RISKS – COVER, CONDITIONS AND EXCLUSIONS

The Insurers, at their discretion, may provide cover for claims arising out of the possession or use of firearms subject to the Firearms Conditions and Exclusions set out below. The cover provided will be as follows:

- a) an Indemnity Limit of not more than 50% of the Indemnity Limit applicable to Security Claims. This Indemnity Limit shall be part of, and not in addition to, the Indemnity Limit applicable to Security Claims.
- b) an Excess equivalent to 15% of the claim subject to a minimum of R50 000 and a maximum of R150 000. This Excess shall apply to each and every claim, or series of claims arising out of one originating cause, and shall also apply to all costs fees and expenses incurred in the investigation and/or defence of the claim.

The following Conditions are precedent to acceptance of liability by the Insurers under the policy and failure to comply with such Conditions shall result in the claim intimated being rejected:-

It is a further express condition that where firearms are owned and maintained by Security Personnel for purposes of complying with a specific requirement by a client who enters into an agreement with the Insured for purposes of the Business declared to Insurers, the Insured will maintain a schedule of such firearms in possession of Security Personnel and ensure that each of their Security Personnel are in possession of both a valid license as contemplated in Section 3 of the Firearms Control Act, 60 of 2000, and a competency certificate per Section 6 of the Firearms Control Act, 60 of 2000 in respect of each firearm.

It is an express condition that where firearms are owned by the Insured and issued to on-duty Security Personnel, the Insured in compliance with Section 20 read together with Sections 7 and 11 of the Firearms Control Act, 60 of 2000, as amended, will be in possession of a valid licence, permit or authorisation in respect of each and every firearm (as defined).

The policy will not cover liability arising as a result of the use or discharge of a firearm owned and maintained by or otherwise in the possession of Security Personnel outside the course and scope of Security Personnel's employment with the Insured, or whilst Security Personnel are not on duty.

If cover is required for the Firearms Risk, a full declaration of all known incidents involving Firearms over the last 5 years must be provided on a separate page.

2. FIDELITY RISKS

It is a standard Exclusion that no indemnity is provided in respect of claims arising out of any dishonest, illegal or criminal act committed by the Assured or any Employee or person acting on behalf of the Assured, including any collusion thereto.

No indemnity shall be granted under this Extension in respect of:

- a) misappropriation perpetrated by or contributed to by any Security Personnel:-
 - i) under the age of 21 years at the date of the misappropriation
 - ii) who have not been in the employ of the Insured for a continuous period of 6 months at the date of the misappropriation
 - iii) who have not been employed as Security Personnel for an uninterrupted period of 3 years at the date of the misappropriation.

3. SPECIAL EVENT SECURITY

This is a standard Exclusion, but cover may be granted on submission of the full Underwriting Information. The cover provided will form the subject of the Security Claims Section and the following should be noted:

- a) All "Employees" must wear vests or other apparel identifying them as employees of the Assured.
- b) No cover is provided for claims arising out of the use of Firearms.
- c) No cover is provided for claims arising out of the use of teargas or similar crowd control substances.
- d) Any Employee carrying out any Security Services as contemplated by Security Legislation must be registered in terms of such legislation.

DECLARATIONS

I understand that the answers provided to the questions contained in this proposal form and any additional information provided and any documentation submitted in support of this proposal, will form the basis of any policy or policies effected.

I confirm that the information and documentation submitted, is correct, to the best of my knowledge.

At the present time, other than stated above, I/We have no reason to anticipate any claim being brought against me/us that would constitute a claim under the Insurance now being Renewed or Applied for.

The applicant warrants to the best of their knowledge and belief that the statements set forth herein are true and include all material and relevant information.

The Applicant further warrants that if the information supplied on this application changes between the date of this application and the inception date of policy period, the applicant will immediately notify the insurance broker of such change. Signing of this application does not bind the company to offer nor the applicant to accept insurance, but it is agreed that this application shall be the basis of the insurance form part of the policy should a policy be issued.

I/We acknowledge that the information submitted in this proposal form may be protected by data protection legislation, such as the Protection of Personal Information Act 2013 (POPI) and accordingly hereby consent to the use of such information by Santam on behalf of Santam Ltd (the Insurer) to:

1. Verify the information disclosed herein against any other source;
2. Communicate with you directly should you request us to and in accordance with relevant regulatory requirements;
3. Compile non-personal statistical information to assist in assessing similar risks;
4. Assess the risk to be underwritten and, if a Policy of Insurance is issued pursuant to and based upon such information, that said information may be used at a later stage to assess any future claims that I/We may have against any such Insurances issued by Santam on behalf of Santam Ltd;
5. Transmit your personal information to any affiliate, subsidiary or re-insurer so that we can provide insurance services to you and to enable us to further our legitimate interests including statistical analysis, reinsurance and credit control;
6. Transmit your personal information to any third party service provider who has a need to know such information in order to perform functions relating to your Policy;
7. Share your personal information on the SAIA policyholder database for the combatting of insurance fraud and improved evaluation of risks

I/We further acknowledge that this consent clause will remain in force even if your Policy is cancelled or lapses.

Signed _____
(On behalf of the Proposer)

Capacity _____

Date _____