



DISCLOSURE DOCUMENT PUBLISHED IN TERMS OF SECTION 5 OF THE FINANCIAL ADVISORY SERVICES ACT

The financial services provider issuing this document has been authorised by the Financial Services Board to provide certain categories of services. Brokers and service providers are obliged to report certain financial transactions in terms of the Financial Intelligence Centre Act.

Key persons	Marius A Conradie (Short term insurance) Marius-Malherbe Conradie (Short term) Marquis A Addinall (Long term insurance)
Representatives	Addinall Marquis A (Long term) Addinall Marlo E (Short term) Bravenboer Lelanie C (Short term) Conradie Marius A (Short term) Conradie Marius-Malherbe (Short term) Labuschagne Samuel J (Short term) Pelser Soretha ES (Short term)
Product categories	Short term – Personal and commercial lines Long term – Category A, B & C, Retail Pension Fund Benefits, Participatory interest in one or more collective investment scheme
Professional body	FIA
Liability cover	Aon FIA-PI/G/ICB98/0287 – R1 500 000 cover
Legal and contractual status	The service provider is a Closed Corporation and an independent business. The brokerage represents Insurers. All representatives are permanently employed by Network Insurance Brokers (Cape) CC. The brokerage earns commission and in turn pays salaries to the personnel.
Companies with which the firm contracts	Long term: Sanlam, Old Mutual, Liberty and Momentum Short term: Santam, Santam Real Estate, Mirabilis Engineering, Transport, Santam Marine, Travel Insurance Consultants, SHA, Old Mutual Insure, Auto & General, Savannah Marine, Neptune, Regent, Etana, Envirosure, Bryte Insurance Company, Cyclesure, Animal Sure, MUA, Cross X Country, Paladin, Momentum
The accreditation letters of the above-mentioned companies are available on request. No insurer has imposed any restrictions or special conditions on the service provider. More than 30% of business was placed with Santam in the past year. Neither the service provider nor the representatives hold more than a 10% shareholding of any insurer.	
Claims and/or enquiry procedure	The service provider deals with claims. Enquiries about the claims procedure may be addressed to the above business address.
Compliance officer	Providus Compliance Consulting (Pty) Ltd Telephone: 021 592 4488 Fax: 086 212 7778
Complaints	Responsible person: The complaints procedure may be requested from the service provider at the above address.
FAIS Ombudsman	Complaints about the advice received may be addressed to the Ombudsman: Short term: PO Box 74571, Lynnwood Ridge 0040 Telephone: 012 470 9080 Fax: 012 348 3447 Long term: PO Box 45007, Claremont 7735 Telephone: 021 657 5000 Fax: 021 674 0951
Total fees payable	The commission payable to the broker if business is concluded successfully will be disclosed to the client at that stage.

IMPORTANT – PLEASE READ CAREFULLY

DISCLOSURE AND OTHER LEGAL REQUIREMENTS

(This notice does not form part of the insurance contract.)

As short-term insurance policy holder you have the right to the following information:

- 1 The intermediary (insurance broker or representative) doing business with you must at the earliest reasonable opportunity disclose the following:**
 - (a) Name, physical address, postal address and telephone number
 - (b) Legal status and any interest in the insurer
 - (c) Whether or not in possession of Professional Indemnity cover
 - (d) Particulars on how to submit a claim or complaint
 - (e) Amount in Rand of fees and/or commission payable
 - (f) Written mandate to act on behalf of insurer

- 2 The insurer:**
 - (a) Name, physical address, postal address and telephone numbers
 - (b) Telephone number of insurer's compliance department
 - (c) Particulars on how to submit a claim or complaint
 - (d) Type of policy involved
 - (e) Scope of premium obligations undertaken by you as policy holder
 - (f) Method of paying premium, payment date and consequences of non-payment

- 3 Additional important matters**
 - (a) You must be informed of any material changes to the information provided in paragraphs 1 and 2 above.
 - (b) If the information in paragraphs 1 and 2 above was given verbally, it must be confirmed in writing within 30 days.
 - (c) If any complaint to the intermediary or the insurer is not resolved to your satisfaction, you may submit the complaint to the Short-term Insurance Registrar.
 - (d) Polygraph or any lie detector test is not obligatory in the event of a claim and the failure thereof may not be the sole reason for repudiating a claim.
 - (e) If premium is paid by debit order:
 - (i) It may be in favour of one person only and may not be transferred without your approval;
 - (ii) The insurer must inform you at least 30 days before the cancellation thereof, in writing, of its intention to cancel such debit order.
 - (g) The insurer and not the intermediary must give reasons for repudiating your claim.
 - (h) Your insurer may not cancel your insurance merely by informing your intermediary. There is an obligation to make sure that the notice was sent to you.
 - (i) You are entitled to a copy of the policy free of charge.

- 4 WARNING:**

Do not sign any blank or partially completed application form.
Complete all forms in black ink.
Keep all documents handed to you.
Make notes as to what is said to you.
Do not be pressurised into buying the product.
Incorrect or non-disclosure by you of relevant facts may influence the way in which the insurer may deal with any claims arising from your contract of insurance.

- 5 Particulars of the Short-term Insurance Ombudsman who is available to advise you if claims problems are not solved satisfactorily by the insurance intermediary and/or the insurer:**

Postal address: PO Box 32334, Braamfontein, 2017
Telephone: 011 726 8900
Fax: 011 726 5501

- 6 Particulars of the Short-term Insurance Registrar:**

Postal address: Financial Services Board
PO Box 35655, Menlopark, Pretoria 0102
Telephone: 012428 8000
Fax: 0123470221

(You may be required to sign a copy of this document.)

INSURABLE INTEREST:

Common Law in South Africa inter alia stipulates that one person/legal entity/party may not benefit from another person/party's loss.

In insurance terms this is somewhat problematic. There should at least be financial interest. Keep in mind that the name appearing on the policy document is the insured. A further problem is that the legal departments of the various insurers do not interpret the situation in the same manner. The problem can be illustrated on the basis of a number of examples.

- 1** Piet Nel buys his son, Jan, who is at university, a car. The car is registered in Jan's name, but because he is not generating any income yet, the car is insured under Piet's household insurance policy. The car is bought on hire-purchase. At this stage financial insurable interest exists and the transaction is fairly safe. Jan graduates after four years and starts working, and the hire-purchase is settled. However, the car remains insured in terms of Piet's policy. Insurable interest has therefore terminated and if the car is stolen or written off in an accident, the assessor will during the deregistration process find that the car is not registered in Piet's name and the claim will be rejected.
- 2** Piet Nel is also the sole holder of company ABC (Pty) Ltd. He sometimes uses his personal vehicle to travel for business purposes. The business's other assets are insured in terms of the business policy in the name of ABC (Pty) Ltd. His accountant recommends that he put the vehicle on the business policy, since he may use the premium as a tax rebate. Although he is the owner of the vehicle and also owns all the shares in the business, no insurable interest exists in this case and his claim may be rejected in case of the loss of the vehicle.

Although we refer to a car being stolen or written off in both examples, this applies to all assets. In case of a car, however, the vehicle has to be deregistered and the registered owner's identity may then differ from that of the policy holder. If we are informed of a problem with regard to insurable interest, we may correct it for our client free of charge.

AVERAGE:

Due to practical considerations some assets must be insured at the replacement value. For example, if a building is destroyed in an earthquake, the insurer may only replace it with a new building of the same surface area and quality of building materials – therefore the need to insure for the replacement value. Sometimes the risk of an asset (normally expensive buildings) is shared by two or more insurers. Similarly, the owner may bear part of the burden himself/herself. If, for example, a building worth R1 000 000 is insured for R500 000 and that building is completely destroyed in an earthquake or fire, the insurer will pay out R500 000. If the owner wishes to rebuild the building he/she will have to contribute a further R500 000 to the construction costs. The owner is therefore responsible for 50% of the risk (insurance) of the building. At this stage the insured is completely satisfied with the insurance, because he/she received the total insured amount.

However, if the same building's roof is blown off in a storm and the damage is R100 000, the same principle of shared risk will be applied, and the insurer will pay out R50 000 only, while the owner will be responsible for his/her 50% of the damage. Because the insured does not understand or is unaware of the concept of shared responsibility, he/she wrongly expects the insurer to bear the full cost of the damage when the damage is within the insured amount. At that stage the uninformed insured is unhappy.

REMEMBER, IT IS THE INSURED'S RESPONSIBILITY TO DETERMINE THE VALUE OF HIS/HER ASSETS.

SUBROGATION:

Subrogation is the rights of the insurer to take over some of the insured's rights after a claim has been instituted. For example, when the insured's vehicle is damaged by a Third Party, the insurer obtains the right to act on behalf of the insured and to recover the full amount of the damage from the Third Party. If recovery from the Third Party succeeds, the insured's excess payment will be repaid by the insurer.

Recovering the excess from the Third Party yourself may prejudice the insurer's rights, since the Third Party's insurer may/will regard it as an admission of guilt on their client's part and they will absolutely have the right to repudiate their client's claim in terms of the policy. Consequently, the insurer's rights were prejudiced and they lose the right to recover the full amount of the claim.

CONTRIBUTION:

When two or more insurers consciously or unconsciously cover the same risk, they will contribute on a pro rata basis according to their exposure to any loss incurred in respect of the insured risk, up to the maximum of the loss or the insured amount, whichever is less.

DUTY OF DISCLOSURE:

- A** Facts to be disclosed include the following:
- (i) Facts that would indicate that the risk is greater than what could be expected from its kind.
 - (ii) Facts that would usually increase the amount of the loss more than normally.
 - (iii) Previous loss or claims history.
 - (iv) Previous application of limited terms or limited cover by the previous and/or other insurers.
- B** Facts that do not need to be disclosed include the following:
- (i) Legal facts.
 - (ii) Facts that decrease the risk.
 - (iii) Facts that the insurer is deemed to be aware of from the nature of his business.
 - (iv) Facts that the insurer's recorder should have seen.

IMPORTANT NOTICE:

There are exclusions/exceptions, conditions, requirements and initial amounts payable applicable to your policy. Please refer to the wording of the policy and policy annexure for full details.

Please also take note of additional, increased and/or voluntary excess payments that may be applicable to your policy.