



# LEPPARD

UNDERWRITING

*01 January 2020*

*Policy Document*

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Underwritten by Lombard Insurance Company Limited,  
an Authorised Financial Services Provider (FSP 1596).

# SOUTH AFRICAN INSTITUTE OF ARCHITECTURAL TECHNOLOGISTS NPC (SAIAT)

## ANNEXURE A

### INTRODUCTION AND CONTRACT

This is a contract of insurance and is subject to the law of the Republic of South Africa.

The insurance cover described in this contract of insurance is effected under the **Master Contract No. P51 010804** and Binding Authorities granted to the **Coverholder** by Lombard Insurance Company Limited.

All words in **bold typeface** should be read in conjunction with the DEFINITIONS. Any word or expression to which a specific meaning has been attached in any part of this contract of insurance shall bear such specific meaning wherever it may appear.

This contract is valid with effect from the **Inception Date** of the **Contract Period** subject to the payment of the **Premium**.

### SCHEDULE

This **Schedule** (Definition 27) is a summary of the key terms of this contract of insurance.

**You** (Definition 32) are each **Member** of **SAIAT**.

**We** (Definition 31) are Lombard Insurance Company Limited (Reg No. 1990/001253/06) FSP No. 1596.

The **Contract Period** (Definition 7) is for 12 months from the **Inception Date** (Definition 14) which is the 1<sup>st</sup> January 2020.

The **Limit** (Definition 16) in respect of a **Claim** (Definition 3) and **Costs and Expenses** (Definition 8) is R2,000,000 **Any One Claim** (Definition 1) and for the **Contract Period** per **Member**.

The **Deductible** (Definition 11) is R10,000.

The **Retroactive Date** (Definition 25) is 1<sup>st</sup> July 2005.

Contract Endorsements:   Joint Venture  
                                    Fee Recovery  
                                    Loss of Documents  
                                    Statutory Defence Costs  
                                    Public Liability

Signed for and on behalf of the **Coverholder**

## INTENTION AND PURPOSE

SAIAT has entered into a **Master Contract** for the benefit of its **Members** and has agreed to pay the **Premium**.

This insurance provides an indemnity only for the acts committed by **Members** personally.

## DEFINITIONS

1. **Any One Claim:** all Claims with one original cause or source regardless
  - a. of their number or
  - b. the identity of the claimants or
  - c. whether one event or series of events.
2. **Business:** the provision of **Professional Services** **You** perform as SAIAT has declared to us.
3. **Claim or Claims:** a claim from a **Third Party** that **You** have caused them a **Loss**.
4. **Circumstance or Circumstances:** **Your** knowledge of facts from which **You** ought reasonably to conclude **You** may receive a **Claim**.
5. **Compensation:** an amount that a **Third Party** is awarded by judgment or a settlement agreed to by **Us** as compensation for a **Loss**.
6. **Computer, Data, Electronic Systems:** information and communication technology devices and facilities for the electronic storage, transmission, receipt, retrieval and processing of computer software, data, voice communications and networking equipment or facilities which enable connection to other devices or networks.
7. **Contract Period:** the period from the **Inception Date** to the **Expiry Date**.
8. **Costs and Expenses:** all amounts **We** spend or **You** spend with **Our** prior written approval, all paid as part of the **Limit**, in:
  - a. investigating, defending or settling a **Claim**
  - b. responding to any regulatory enquiry or disciplinary process which may give rise to a **Claim**
  - c. mitigating the financial impact of or preventing a **Claim**
  - d. investigating or mitigating the financial impact of a **Circumstance**.

9. **Coverholder:** Leppard and Associates (Proprietary) Limited  
  
Registration No. 1991/002788/07 and FSP No.274  
Lombard Insurance Company Limited  
  
Po Box 2730, Houghton, 2041, South Africa.  
E-mail: pi@leppard.co.za
10. **Damage:** the physical damage to or loss of use or control of any tangible property.
11. **Deductible:** the amount to be borne by **You** at **Your** own cost in respect of the first part of **Any One Claim**.
12. **Entity or Entity's:** the business entity, howsoever incorporated, that employs **You** in terms of a full time employment contract.
13. **Expiry Date:** the date shown in the **Schedule**.
14. **Inception Date:** the date shown in the **Schedule**.
15. **Injury:** the death of or injury to or illness affecting any person.
16. **Limit or Limits:** the maximum amount **We** will pay **You** as indemnity plus **Value Added Tax** in addition.
17. **Loss:** **Injury, Damage** or any monetary loss.
18. **Malicious Code:** any virus, Trojan Horse, worm, spyware or other disabling, invasive or destructive computer code.
19. **Master Contract:** the contract between **SAIAT** and **Us** in terms of which this contract of insurance is issued.
20. **Material Information:** the description of **Your Business, Your** revenue, **Your** history of **Claims** and **Circumstances** and any other information which is likely to materially affect the assessment of **Our** risk at the time of issue of this contract.
21. **Member:** an individual registered as a member with **SAIAT**.
22. **Pollution:** the escape of any gas, liquid, substance or noise.

23. **Premium:** the amount agreed between **SAIAT** and **Us** as the consideration payable to **Us** for **Our** undertaking in terms of this contract of insurance as set out under the **Master Contract**.
24. **Professional Services:** all work performed for or advice given to a **Third Party** by **You** at the time **You** were a **Member** in the normal course and conduct of **Your Business** provided such work performed or advice given falls within the activities sanctioned by **SAIAT**.
25. **Retroactive date:** the date(s) shown in the **Schedule**.
26. **SAIAT:** the South African Institute of Architectural Technologists NPC.
27. **Schedule:** the summary of the key terms of this contract.
28. **Third Party:** any party who is not **You** or **Us**.
29. **Value Added Tax:** the tax applicable to goods and services in terms of the Value Added Tax Act, 1991.
30. **Vehicle:** any land vehicle or trailer including any attached machinery or apparatus and whether subject to registration or not or whether self-propelled or not and any locomotive or rolling stock.
31. **We, Our and Us:** Lombard Insurance Company Limited.  
(Reg. No. 1990/001253/06) (FSP No. 1596)
32. **You or Your:** each **Member**.

## WHAT IS COVERED

33. **We** agree, unless stated otherwise in this contract including any endorsement and provided **SAIAT** has paid the **Premium**:

- a. to indemnify **You** or the **Entity** for **Your** legal liability to pay **Compensation** to a **Third Party** as a result of a **Claim** first made against **You** or the **Entity** during the **Contract Period** up to the **Limit** subject to the **Deductible**
- b. to pay for **Costs and Expenses**.

arising out of **Your Business**.

## WHAT IS NOT COVERED

### 34. We will not provide an indemnity nor pay

#### 34.1. for any legal liability or **Costs and Expenses**:

- |         |                         |   |
|---------|-------------------------|---|
| 34.1.1. | Other Insurance:        | for which <b>You</b> are entitled to an indemnity under any other insurance or indemnity.   |
| 34.1.2. | Fines and Penalties:    | for any fines penalties punitive or exemplary damages unless they are indemnified as <b>Compensation</b> .  |
| 34.1.3. | Contractual:            | agreed or assumed by <b>You</b> under any contract unless the legal liability would have attached to <b>You</b> in the absence of the contract.   |
| 34.1.4. | Employee:               | made against <b>You</b> by <b>Your</b> employee unless the <b>Claim</b> arises directly from <b>Your Professional Services</b> .  |
| 34.1.5. | Previous Claims:        | for a <b>Claim</b> or <b>Circumstance</b> which was or should reasonably have been disclosed to <b>Us</b> or a <b>Third Party</b> prior to the <b>Inception Date</b> or the date <b>We</b> agree to incept this contract whichever is the later date.   |
| 34.1.6. | USA and Canada:         | arising out of any<br><br>34.1.6.1. <b>Business</b> conducted in or<br><br>34.1.6.2. <b>Claim</b> brought initially in<br><br>any country or territory that operates under the laws of the United States of America or Canada.  |
| 34.1.7. | War, Nuclear, Asbestos: | arising directly or indirectly from<br><br>34.1.7.1. war, foreign enemy, hostility, civil unrest or terrorism.<br><br>34.1.7.2. nuclear fuel, material or waste.<br><br>34.1.7.3. asbestos.   |
| 34.1.8. | Director:               | arising out of the duties and responsibilities of a director as defined under Section 77 of the Companies Act 2008.   |
| 34.1.9. | Related Companies:      | in respect of any <b>Claim</b> made against <b>You</b> by <b>Your</b> holding or subsidiary companies or any person or entity having an monetary interest, administrative or managerial influence on <b>You</b> unless such <b>Claim</b> is as a direct result of <b>Your Professional Services</b> . |

- 34.1.10. Insolvency, trading: arising out of **Your** insolvency or trading losses and liabilities.
- 34.1.11. Fraud: if **You** are involved in or party to a fraud committed against **Us**.
- 34.1.12. Deliberate Act: if **You** deliberately disregard the need to take reasonable steps to prevent a **Loss**.
- 34.1.13. Sanctions: which would result in **Us** breaching any sanction, prohibition or restriction under United Nations or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.
- 34.1.14. Computer Virus: arising by reason of the introduction of **Malicious Code** by **You** or a **Third Party** into any **Computer, Data, Electronic Systems** resulting in the incapacity or failure correctly or at all to capture save retain or to process any data.
- 34.2. for any legal liability or **Costs and Expenses** concerning:
- 34.2.1. Pollution: **Pollution:**
- 34.2.1.1. if **You** do not take reasonable precautions to prevent **Pollution**.
- 34.2.1.2. that damages any building or land **You** own or lease or previously owned or leased.
- 34.2.1.3. that is not
- 34.2.1.3.1. sudden, unintended and unexpected and does not occur at a specific time and place or
- 34.2.1.3.2. directly as a result of **Your Professional Services**.
- 34.2.2. Retroactive Date: **Business** conducted prior to the **Retroactive Date**.
- 34.2.3. Craft: the ownership, possession or use of any air, water, hover or space craft.
- 34.2.4. Airport, Helicopter Pad: the ownership, hire, lease or operation of any airport or helicopter pad.



- 34.2.5. Vehicles: the ownership, possession or use of any **Vehicle** unless **Your** legal liability or **Costs and Expenses** results from
- 34.2.5.1. the use of any tool or plant forming part of any **Vehicle**.
  - 34.2.5.2. the loading or unloading of any **Vehicle** anywhere other than on a public road.
  - 34.2.5.3. and relates to any **Vehicle** and it's contents on **Your** premises subject to clause 34.1.1. For the purposes of this clause **Third Party** includes **Your Employee**.
- 34.2.6. Property Manufactured: any tangible property, including any design, specification or formula inherent in such tangible property, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered, repaired or worked upon by **You** or a **Third Party** on **Your** behalf.
- 34.2.7. Custody and Control: any premises or property leased hired by or loaned to **You** or in **Your** care custody or control other than;
- 34.2.7.1. for the purposes of **Professional Services**,
    - 34.2.7.1.1. any premises and its contents temporarily occupied by **You**
    - 34.2.7.1.2. any property temporarily in **Your** possession.
  - 34.2.7.2. personal clothing and effects.
  - 34.2.7.3. any premises **You** rent for the purpose of **Your Business** subject to 34.1.3.
  - 34.2.7.4. any property belonging to any rail service provider or government, provincial or municipal authority whilst on any premises **You** occupy for the purpose of **Your Business**.

## COMPLIANCE

35. **You** have to comply with the following and if **You** fail to do so it may, in **Our** sole discretion, result in no indemnity being due to **You**.

35.1. **Coverholder** Notification:

**You** must notify the **Coverholder** in writing as soon as;

35.1.1. **You** receive a **Claim**.

35.1.2. **You** become aware of a **Circumstance**.

35.1.3. **You** receive notice of any criminal prosecution.

35.2. VKN Notification:

Any notification of a **Claim** in compliance with 35.1 must also be made to:

VKN Financial Services (Pty) Ltd

Telephone number: +27110237265

E-mail: [delwena@vknfs.co.za](mailto:delwena@vknfs.co.za) or [dale@vknfs.co.za](mailto:dale@vknfs.co.za)

Fax: 0865122641

35.3. Admission:

**You** must not admit to any liability for a **Claim** unless **We** agree in writing that **You** may do so.

35.4. Assistance and disclosure:

**You** must

35.4.1. give all reasonable assistance, at **Your** own cost and

35.4.2. fully and truthfully disclose information

to **Us** and **Our** representatives in relation to any notified **Claim** or **Circumstance**.

35.5. Material changes:

**You** must notify **Us** of material changes to **Your Business** as soon as possible.

35.6. **Premium** and **Deductible**:

35.6.1. **SAIAT** must pay the **Premium**.

35.6.2. **You** must pay the **Deductible**.

35.7. Statutory requirements:

**You** must comply with all laws governing **Your Business**.

## CONDITIONS

36. Cancellation:
- 36.1. the **Master Contract** may be cancelled by **SAIAT** on 20 business days' written notice,
- 36.2. **Your** cover may be cancelled immediately by **Us** if **You** act fraudulently or dishonestly in seeking an indemnity, or
- 36.3. if the monthly **Premium** payable is outstanding then this contract may be cancelled by **Us** from the date of the last monthly **Premium** paid.
37. **Circumstance:**
- Should a **Claim** arise out of any **Circumstance** **You** notified to and was accepted by **Us** then this contract will apply to that **Claim**.
38. **Claim** settlement or defence:
- We** will decide whether to settle or defend a **Claim** but **You** will not be required to contest any legal proceedings unless a Senior Counsel confirms that there is a reasonable prospect of success.
- If **You** disagree with any proposed settlement of a **Claim** **We** will pay **You** the applicable **Limit** or any lower amount acceptable to the **Third Party** to settle the **Claim**. If this occurs then **We** will have no further obligation in respect of such **Claim**.
39. Rights of recovery:
- Our** rights of recourse are retained against any **Third Party** causing **You** to become legally liable.
40. Disputes:
- If a dispute arises between **You** and **Us** then either:
- 40.1. it must be referred in writing to an arbitrator with appropriate expertise who will conduct the arbitration in terms of the rules and be appointed by the Chairman of the Arbitration Foundation of South Africa and any decision will be final and binding or
- 40.2. **You** may sue **Us** in which case summons must be served on:
- Lombard Insurance Company Limited,  
4<sup>th</sup> Floor, 22 Wellington Road, Parktown 2193,  
Johannesburg, South Africa.

## CONTRACT ENDORSEMENT: JOINT VENTURE

This endorsement forms part of contract number **P51 010804**

1. **Joint Venture:** any joint venture or consortium or partnership or entity in which **You** participate and is not an insured entity in terms of this contract.
  
2. **We** agree to indemnify **You** for **Your** portion of the liability which the **Joint Venture** may incur provided:
  - 2.1. the liability arises out of work performed by the **Joint Venture** that is substantially the same as **Your Professional Services**,
  - 2.2. **You** have declared to **Us** the revenue **You** earn from the **Joint Venture**.
  
3. **We** will not provide an indemnity nor pay for any legal liability or **Costs and Expenses**:
  - 3.1. if the **Joint Venture** is separately insured except in respect of any **Deductible** applicable under the **Joint Venture** insurance,
  - 3.2. for any **Loss** incurred by a participant in the **Joint Venture** unless arising directly out of **Your Professional Services**.

## CONTRACT ENDORSEMENT: FEE RECOVERY COSTS

This endorsement forms part of contract number **P51 010804**

1. **Fee Recovery Costs:** all legal costs **You** incur in respect of each action **You** take during the **Contract Period** for the recovery of professional fees due to **You**.
2. **We** agree to pay **Fee Recovery Costs** up to an amount of R500,000 plus **Value Added Tax** in addition in respect of each action instituted for the recovery of fees, provided:
  - 2.1. the professional fees in respect of each action exceed R20,000
  - 2.2. the professional fees due were earned after the **Retroactive Date** and
  - 2.3. before any recovery proceedings commence;
    - 2.3.1. **You** tell **Us**,
    - 2.3.2. **Our** legal advisors whose fees will form part of the **Fee Recovery Costs**;
      - 2.3.2.1. advise **Us** that there is a reasonable prospect of successfully recovering the professional fees
    - and
    - 2.3.2.2. there is likely to be a counter **Claim**,
    - and thereafter
    - 2.3.2.3. are appointed to pursue recovery.

## CONTRACT ENDORSEMENT: LOSS OF DOCUMENTS

This endorsement forms part of contract number **P51 010804**

1. **Documents:** any words, numbers, still or moving images or graphics maintained in or on any medium whether in physical, electronic, broadcast or any other form but excluding computer operating and software programs.
2. **Event:** accidental loss, damage, destruction or theft by a **Third Party** of any **Documents**.
3. **We** will reimburse **You** for costs incurred by **You** in replacing or restoring **Documents** that belong to **You** as a result of an **Event** occurring during the **Contract Period**, provided:
  - 3.1. **Our** liability to reimburse **You** is limited to R500,000 plus **Value Added Tax** in addition in respect of each **Event**,
  - 3.2. such costs incurred by **You** exceed R20,000 in respect of each **Event**.

## CONTRACT ENDORSEMENT: STATUTORY DEFENCE COSTS

This endorsement forms part of contract number **P51 010804**

1. **Statutory Defence Costs:** legal costs and expenses **You** incur with **Our** prior written approval in the defence of any criminal prosecution for **Your** alleged breach of any statute brought against **You** during the **Contract Period**.
2. **We** agree to pay for **Statutory Defence Costs** up to an amount of R1,000,000 plus **Value Added Tax** in addition any one prosecution.
3. **We** will not pay for **Statutory Defence Costs**
  - 3.1. in any appeal unless a senior counsel appointed by **Us** confirms that such an appeal is likely to succeed.
  - 3.2. relating to Statutes governing the ownership and use of **Vehicles**, or any air, water, hover or space craft or any employment law or the Companies Act, 2008.
  - 3.3. that amount to less than R20,000 in respect of each prosecution.

## CONTRACT ENDORSEMENT: PUBLIC LIABILITY

This endorsement forms part of contract number **P51 010804**

1. **Public Liability:** **Your** legal liability for **Injury** or **Damage**.
2. **We** agree to indemnify **You** for **Public Liability** provided:
  - 2.1 the **Injury** or **Damage** does not arise out of **Your Professional Services**.
  - 2.2 the **Limit** is R2,000,000 for **Any One Claim**.
  - 2.3 the **Deductible** is R10,000.



#### CONTRACT ENDORSEMENT: RETIRED AND DECEASED MEMBERS

This endorsement forms part of contract number **P51 010804**

It is noted and agreed that the definitions of **Member** shall extend, with effect from the **Inception Date**, to include any individual who has retired and no longer rendering any **Services** or died provided that in the event of a **Claim** arising, the individual was a **Member** in good standing and that the **Services** giving rise to the **Claim** were performed on or before the date of retirement or death.

