

GENERAL LIABILITY PROPOSAL FORM

IMPORTANT NOTICE

- Answer all questions leaving no blank spaces.
- If you have insufficient space to complete any of your answers, continue on your headed paper.
- It is the intention of Underwriters that any Contract of Insurance with the Proposer shall be based upon the answers and information provided in this Proposal Form and any other additional information provided by the Proposer. If a quotation is offered it will be the intention of Underwriters to offer coverage only in respect of those entities named in answer to Question 1.
- Completion of this form does not bind the Proposer or Insurer to complete the insurance transaction.

THIS FORM CONTAINS 3 PARTS: A - Proposal Form | B - Appendix | C - An Explanation of the Cover Provided

A - PROPOSAL FORM

1 | GENERAL INFORMATION

Details of entities to be insured (the "Proposer")

Proposer's Name¹:

ID number (if Sole Trader):

Business Description²:

Web sites:

Notes: ¹ If more than one company is to be insured then please provide the additional details in the below table. "Proposer" means all these companies taken together.

² If the Proposer has more than one business description then please give an approximate indication of how much of the Proposer's income is derived from each activity. E.g. Filling station 70%, shop 20%, car wash 10%

Co Reg No:

VAT No:

Principal physical address:

Postal address:

Contact Person:

Contact number:

Name other Companies to be insured in terms of this policy.

COMPANY NAME	RELATIONSHIP

Note: All details provided in this Proposal Form must include these companies (for example include the Turnover, Business Description and Claims History.)

THE POWER OF KNOWLEDGE

AUTHORISED FINANCIAL SERVICES PROVIDER, LICENCE NUMBER: 6344. APPROVED LLOYD'S COVERHOLDER PIN: 107824DRW
Camargue Underwriting Managers (Pty) Ltd. Co. Reg. No. 2000/028098/07.
33 Glenhove Road, Melrose Estate, 2196. Postnet Suite 250, Private Bag X4, Bedfordview 2008
Telephone: 011 778 9140, Facsimile: 011 778 9199, E-mail: camargue@camargueum.co.za, Website: www.camargueum.co.za

Underwritten by certain underwriters at Lloyds, Compass Insurance Company Limited and Bryte Insurance Company Limited

How long has the proposer been in business?

Less than: 18 months? 3 years? 5 years? More than 5 years?

What is the Proposer's annual turnover?

Less than: R5m R10m R25m

Please Specify amount if more than R25m:

R

What is the Proposer's expected annual income for billable advice/designs?

R

Is any of the Proposer's income derived from activities outside of South Africa?

No Yes - please specify percentage split in the table below

TERRITORY	SERVICES INCOME SPLIT	PRODUCT EXPORTS INCOME SPLIT
South Africa		
Elsewhere in Africa		
USA/Canada		
Elsewhere in the world		
At sea		

2 | INSURANCE HISTORY

1 Are you in the present or have you in the past been Insured, for the type of Insurance now being proposed?

Yes No

If Yes, please state: Insurers: _____

Limit of Indemnity:	R
Excess:	R
Premium:	R
Date of expiry of coverage:	
Retroactive Date:	

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

i) Required an increased premium or imposed special terms?

Yes No

ii) Refused to accept or renew any insurance for the body corporate

Yes No

iii) Cancelled the insurance?

Yes No

If any answer is Yes to any of the above 3 questions, please provide full details

3 | REQUIRED COVER

Please state the required limit of indemnity for each of the following:

COVER	INDEMNITY LIMIT	EXISTING RETROACTIVE DATE ¹	PREFERRED EXCESS
Public Liability			
All Camargue liability policies are required to have this basic cover. It covers Injury and Damage to third parties. *			
Products Liability			
A Product is any tangible item after the Insured has handed it over to someone else. If that item harms people or their property then that would usually be covered under this section. *			

Products Inefficacy			
This covers the financial losses caused to others because the Insured's product failed to perform properly. *			
Errors & Omissions			
This covers the financial losses caused to others because of the Insured's bad advice or services. The cover is identical to many professional indemnity policies and but on this policy would typically be limited to R1m if selected. *			
Custody and Control			
This provides additional cover for Damage to third party property in the Insured's care. *			
Breach of Copyright			
This covers the Insured's legal defence costs arising out of accidental plagiarism. *			
Data Protection			
This extension covers liability arising out of failing to protect people's confidential information stored on a network or computer (includes hacking). *			
Warehousemen's Liability			
Carriers' Liability			

Note: * These brief explanations have no legal value and must be substituted with the actual policy wording when determining the scope of cover provided.

¹ The event giving rise to a claim must occur on or after the retroactive date.

If this policy is replacing existing cover then the retroactive date on the existing policy should be entered here. If there is no existing cover then please leave it blank.

Please detail any other requirements for the underwriter's consideration:

DID YOU KNOW?

Camargue clients get free PR crisis management support. Social and other media can grow a business but they can also destroy it if liability complaints are not handled skilfully.

4 | PREVIOUS LOSSES / EXISTING CIRCUMSTANCES

1 Is any Principal, AFTER FULL ENQUIRY, aware of any circumstance which might:

i) Give rise to a claim against the Proposer, any predecessor or any past or present Principal?

Yes

No

ii) Cause any loss to the Proposer, any predecessor or any past or present Principal?

Yes

No

iii) Otherwise affect the consideration of this proposal for insurance?

Yes

No

If Yes, please provide details:

2 In respect of ANY of the risks to which this proposal relates, has any Claim been made (whether successful or not) against the Proposer or any past or present Principal?

Yes

No

If YES, please identify details (including loss date, amount claimed and a brief description):

3 What steps have been taken to prevent a recurrence?

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5 | GENERAL UNDERWRITING INFORMATION

Does the Proposer work on or around aircraft or supply products used in aircraft?

<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes, please specify in the notes area below</i>
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Is a portion of the Proposer's core business focused around children?

Examples include: Crèche, school, hiring jumping castles, selling jungle gyms, adoption agency

<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes, please specify in the notes area below</i>
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Does the Proposer distribute medical products or offer services as part of the medical profession?

<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes, please specify in the notes area below</i>
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Does the proposer engage in mining activities or supply products or services which are intended primarily for underground mining?

<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes, please specify in the notes area below</i>
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Does the proposer use equipment or operate in an environment where items can be dropped on third parties?

Examples include crane operators; window washers; scaffolding, forklifts, stevedores; building contractors.

<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes, please specify in the notes area below</i>
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Do people visit the premises operated or owned by the Proposer more than 1000 times during a month?

Examples include: Shops, events organisers, amusement parks, religious venues

<input type="checkbox"/> No, typically less than 1000 visits	<input type="checkbox"/> Not sure/More than 1000 visits
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Are visitors exposed to floor irregularities such as incomplete construction, steps or clear glass door, which are not clearly marked?

<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes, please specify in the notes area below</i>
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Are the commonly used areas monitored by CCTV?

<input type="checkbox"/> No	<input type="checkbox"/> Yes
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Does the Proposer operate a social club or association?

<input type="checkbox"/> No	<input type="checkbox"/> Yes
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How many members does the club have?	
Please list all club activities not already mentioned in the business description above.	

Does the Proposer routinely have third party property worth more than R1m in its care or does it operate a warehousing or distribution or goods transport service?

<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes, Please complete question 12 in the B - Appendix</i>
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Does the Proposer provide security services for others?

<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes, Please complete question 14 in the B - Appendix</i>
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Is the combined size of all the Proposer's property (owned or used) to be insured in terms of this policy more than 25 hectares?

<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes, Please complete question 9 in the B - Appendix</i>
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Does the Proposer operate an outsourced labour or employment service?

<input type="checkbox"/> No	<input type="checkbox"/> Yes	<i>If Yes, Please complete question 11 in the B - Appendix</i>
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Does the proposer work with potentially dangerous materials including corrosive chemicals, poisons, explosives, toxic waste or fumes? This includes spraying agricultural remedies and crop dusting.

No Yes *If Yes, please specify in the notes area below*

Does the Proposer store more than 2000 litres of chemicals, oils or other liquids or powders which could pollute the environment?

No or Less than 2000 litres More than 2000 litres *If more than 2000 l, please specify the items and their quantities in the notes area below*

Does the nature or layout of the proposer's property pose a flooding risk to neighbours? (Examples include dams and raised storage tanks)

No Yes *If Yes, please specify in the notes area below*

NOTES

Four horizontal dotted lines for notes.

7 | PRODUCT LIABILITY (includes defective work)

For a Products Liability quotation please complete this section.

Do people rely on the Proposer's Products or services for personal health or safety?

Examples include: burglar alarms, seat safety belts in cars, CCTV, padlocks, vitamin tablets.

No Yes *If Yes, please specify in the notes area below*

Does the Proposer research, develop or design new products?

No Yes *If Yes, please specify in the notes area below*

Over the past 6 months has there been a material increase in the number of faults in, or complaints about the Proposer's products or services?

No Yes *If Yes, please specify in the notes area below*

How many times has the Proposer or anyone else recalled or withdrawn the Proposer's products or workmanship over the past 36 months?

Empty dotted box for recall/withdrawal count.

How often does someone, other than the worker, check the worker's product or workmanship?

More than 99% of all products or items worked on are checked	<input type="checkbox"/>
At least 95%	<input type="checkbox"/>
Less than 95%	<input type="checkbox"/>
Samples from each batch/lot are retained and tested	<input type="checkbox"/>
Other	<input type="checkbox"/>

Does the proposer manufacture or distribute medication or herbal remedies?

No Yes *If Yes, please describe the products, specify their medical schedule rating, state the expected income from each product:*

Three horizontal dotted lines for product details.

NOTES

DID YOU KNOW?
Camargue clients get free unlimited telephonic legal advice. Almost any topic – even if it is not covered by the policy.

DECLARATION

Signing this proposal form binds neither the proposer to complete this insurance, nor does it bind the insurer to accept the proposal. It is agreed that all written statements and attachments furnished to the insurer in conjunction with this proposal are hereby incorporated by reference into this proposal and made part thereof. It is understood and agreed that the insurer has relied upon this proposal and attachments, which shall be the basis of the insurance contract.

The undersigned is an authorised signatory of the Proposer and certifies that reasonable inquiry has been made to obtain the answers herein which are true, correct and complete to the best of his/her knowledge and belief. We undertake to inform the insurer of any material alteration to these facts, whether occurring before or after completion of the insurance contract.

.....
NAME **CAPACITY**

.....
SIGNATURE OF THE PROPOSER **DATE** DD/MM/YYYY

BROKER DETAILS

Broker:
.....
Contact Person: Tel:
.....
Email: Fax number:
.....

B - APPENDIX SECTION

8 | SPREAD OF FIRE AND AGRICULTURAL RISKS

This section need only be completed if the combined size of all the Proposer's property (owned or used) to be insured in terms of this policy is 25 hectares or more.

How is the Proposer's property used?

* Offices	<input type="checkbox"/>
* Factory	<input type="checkbox"/>
* Warehouse	<input type="checkbox"/>
* Other commercial	<input type="checkbox"/>
* Residential	<input type="checkbox"/>

* Undeveloped field	<input type="checkbox"/>
* Timber plantation	<input type="checkbox"/>
* Animal farming	<input type="checkbox"/>
* Crop farming	<input type="checkbox"/>
* Other agricultural	<input type="checkbox"/>

How is the neighbouring property used?

* Offices	<input type="checkbox"/>
* Factory	<input type="checkbox"/>
* Warehouse	<input type="checkbox"/>
* Other commercial	<input type="checkbox"/>
* Residential	<input type="checkbox"/>

* Undeveloped field	<input type="checkbox"/>
* Timber plantation	<input type="checkbox"/>
* Animal farming	<input type="checkbox"/>
* Crop farming	<input type="checkbox"/>
* Other agricultural	<input type="checkbox"/>

Please list all fires on the Proposer's properties over the past 5 years.

YEAR	QUANTUM	CAUSE OF FIRE

Does the Proposer comply with legislation governing the prevention and control of fires?
(includes the burning of fire-breaks)

Yes No *If No, please specify in the notes area below*

Is the Proposer a member of a Fire Protection Association?

Yes No

Does the Proposer have quick access to the personnel and fire-fighting equipment necessary to control a fire on the Proposer's premises?

Yes No

Is there a proper maintenance program in place for this equipment?

Yes No

Are staff appropriately trained to combat fires?

Yes No

Is there easy access to high volume water sources such as dams?

Yes No

Are there informal settlements on or within 2 km of the property?

Yes No

Are flammable materials such as chemicals, fertilizer and fuel stored in a way that minimises the likelihood of fire?

Yes No

If quantities of dry feed such as Lucerne are stored, is it stored in a way that safeguards against internal combustion?

Yes No Not stored

Other than as described above, do the Proposer's activities or the nature of its property expose its neighbours to a significant spread of fire risk?
Examples include: high frequency of lightning strikes; fire-break burners

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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Are the Proposer's perimeter fences adequately maintained to prevent the breakout of animals?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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N/A - no farm or wild animals on the property	<input type="checkbox"/>
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NOTES

DID YOU KNOW?
Camargue clients get free private arbitration services. Don't let your disputes with others get dragged out in a court of law. Camargue will pay the cost of Tokiso Dispute Settlement's arbitration services. It's quick, convenient and private.

9 | HOSPITALITY RISKS

Please indicate distance using hours of ordinary travel from a medical facility equipped with a 24-hour casualty facility.

DISTANCE	NUMBER OF RESORTS
Within 1 hour	<input type="text"/>
Within 2 hours	<input type="text"/>
Within 4 hours	<input type="text"/>
More than 4 hours	<input type="text"/>

Which of the following activities are conducted on the Proposer's premises?

* quad biking	<input type="checkbox"/>
* horse-riding	<input type="checkbox"/>
* diving	<input type="checkbox"/>
* safari vehicle drives	<input type="checkbox"/>
* boat rides	<input type="checkbox"/>
* motor sport	<input type="checkbox"/>
* shooting related sports (e.g. archery, pistol shooting etc.)	<input type="checkbox"/>

* rock face climbing	<input type="checkbox"/>
* hot air ballooning	<input type="checkbox"/>
* bungee jumping	<input type="checkbox"/>
* walks among wild animals	<input type="checkbox"/>
* cycling	<input type="checkbox"/>
* contact or assault sports (e.g. rugby, boxing, martial arts)	<input type="checkbox"/>

What other recreational activities are provided?

Do all visitors sign a disclaimer?

Yes - this is part of the normal process	<input type="checkbox"/>
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Mostly	<input type="checkbox"/>
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Seldom/Never	<input type="checkbox"/>
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Are the Insured's disclaimers visible when visitors enter the premises?

All the premises
 Some premises
 No

If Some, please specify which premises have no disclaimer in the notes area below

Does the resort always get the guests' travel insurance details?

N/A - no overnight accommodation is offered
 Yes, it is part of the normal process
 Mostly
 Seldom/Never

Are all the resorts/venues equipped to deal with basic medical emergencies? Yes No

Note: Being equipped to deal with a basic medical emergency means having the skills and equipment to measure a persons' temperature, blood pressure, blood sugar levels and medicate nausea, dehydration, diarrhoea.

NOTES

Empty dotted-line box for notes.

DID YOU KNOW?
 All Camargue clients get emergency medical services where the Insured is responsible for injuries to others. This includes:

- Telephonic guidance and advice with a medical crisis
- Immediate medical evaluation and emergency medical transportation
- Guaranteed access to a suitable hospital or other medical facilities

10 | OUTSOURCED LABOUR OR EMPLOYMENT SERVICES

How many people are typically hired out during the Proposer's busy season as:

Blue collar (manual labour):
 White collar (office labour):

To which industries are these people typically allocated?

INDUSTRY	% SPLIT
Mining	
Cleaning	
Transport	
Retail and packing	
Chemical manufacturing	
Metal and sheet working	
Other manufacturing	
Security	
Other	

How many of these staff operate or work on or maintain forklifts?

Do the Proposer's clients sign contracts stating that the Proposer will not be held liable for mistakes made by the employees (other than wilful acts)?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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If there are exceptions in the contract, please specify in the Notes area below

Does the Proposer's standard operating process check the qualifications and criminal records of all staff supplied to its clients?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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Does the Proposer hire out professionals who are going to provide billable advice on behalf of the clients?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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Note: The Policy does not cover liability arising out of such advice. This ought typically to be covered in terms of the client's professional indemnity policy.

NOTES

11 | WAREHOUSING AND OTHER STORAGE

What are the main reasons for third party property being in the Proposer's care?

A storage for hire facility	<input type="checkbox"/>
Transport service	<input type="checkbox"/>
Items being repaired/worked on	<input type="checkbox"/>
Other: <i>Please specify</i>	

What is the typical value of this property during a busy period?

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In terms of storage space, how much of this would typically be made up of:

ITEM DESCRIPTION	STORED	TRANSPORTED
Perishable food		
Non-perishable food		
Cigarettes or alcohol		
Goods susceptible to water or moisture damage		
Goods susceptible to temperature changes (food, agricultural seeds, etc.)		
Items which are highly flammable or potentially explosive		
Corrosive substances (including alkalis and acids)		
Temperature sensitive items (including cold storage facilities)		
High theft risk items (including jewellery, laptops, gift vouchers, etc.)		
Electronic equipment		

REMEMBER:
The policy excludes cold storage facilities as well as money and other negotiable securities such as gift vouchers.

Please describe the goods being stored:

How much of the storage facility is protected by well-maintained automated fire suppression systems?

All <input style="width: 20px; height: 15px;" type="checkbox"/>	At least 90% <input style="width: 20px; height: 15px;" type="checkbox"/>	Other - please specify ratio of storage area <input style="width: 20px; height: 15px;" type="checkbox"/>
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How well is the storage facility maintained?

Over the past 6 months has the storage facility had a problem with vermin, insects, other pests, leaking water, damp, or other perils which may damage the stored property?

Please detail the protection against theft including:

Doors	
Windows	
Burglar alarm system (maintenance contract)	
After hours watchman	

Does the Proposer contract out of liability for loss/damage to third party property in the Insured's care?

Yes <input style="width: 20px; height: 15px;" type="checkbox"/>	No <input style="width: 20px; height: 15px;" type="checkbox"/>	Mostly <input style="width: 20px; height: 15px;" type="checkbox"/>
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If "Mostly", then please specify in the Notes area below when this is not done.

NOTES

REMEMBER:

The policy requires the Insured to contract out of such liability in terms of Warehousing liability and Carrier's liability.

12 | PRODUCTS LIABILITY FOR FERTILIZER, SEEDS AND ANIMAL FEEDS

If the Proposer requires a quotation for products liability arising out of fertilizer, seeds or animal feeds please complete this section

Taken by volume, what proportion of the Proposer's product is medicated?

%

How often does the Proposer test the raw material for contaminants (including mould, pesticides, etc)?

Are basic quality checks done on all deliveries?

Please describe the controls to ensure that the products are correctly labelled?

How often does the Proposer flush their manufacturing machines?

How long does the Proposer's process allow stock to be stored before it is destroyed?

Do the Proposer's processes and storage facilities allow for contamination between products?

Does the Proposer label and encode each product lot so that it is easy to identify and recall the product if necessary?

Are samples of each product lot retained for analysis should a quality dispute arise?

NOTES

13 | SAFETY & SECURITY SERVICES

If the Proposer provides Security Services for others then please complete this section.

Security Personnel Profile

Total number of Security Personnel with firearms

Total number of Security Personnel without firearms

Note: There is no cover for liability arising out of the use of firearms, unless the Proposer complies with all legislation governing the use, storage and ownership of firearms, at all times.

What percentage of the Proposer's Security Personnel are **NOT** permanent employees?

Less than 5%	Between 5% and 20%	Between 20% and 50%	More than 50%
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Animals

Please state the number of animals used by the Proposer:

Dogs	Horses	Other
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Before these animals are used, are both the animals and their handlers trained according to PSIRA requirements?

Yes	<input type="checkbox"/>	Not always	<input type="checkbox"/>
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Note: The policy excludes cover for liability arising out of the conduct of the Insured's security personnel and animals where such conduct is addressed in training required by PSIRA and the Proposer did not comply with PSIRA's training requirements.

Training and Compliance

Do all security personnel conform to PSIRA's training requirements in terms of the security function that they perform?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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Note: The policy excludes cover for liability arising out of the conduct of the Insured's security personnel and animals where such conduct is addressed in training required by PSIRA and the Proposer did not comply with those training requirements.

Do all the Proposer's companies which offer Security Services have a valid PSIRA registration number?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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Note: It is a prerequisite of this insurance that the Proposer or any entity offering Security Services on its behalf is registered in accordance with the PSIRA.

HR process

Are criminal checks performed on prospective employees prior to their employ by the Proposer?

Yes	<input type="checkbox"/>	Sometimes	<input type="checkbox"/>	No	<input type="checkbox"/>
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Note: The policy excludes cover for liability arising out of the criminal activity of staff who had criminal records before being employed by or on behalf of the Insured.

Does the proposer verify that all security personnel have a current valid PSIRA registration certificate?

Yes	<input type="checkbox"/>	Sometimes	<input type="checkbox"/>	No	<input type="checkbox"/>
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Note: The policy excludes cover for liability arising out of misconduct of security personnel who fail to adhere to the PSIRA's registration requirements.

Before employing security personnel, does the proposer investigate their previous employment to reliably establish if they have been disciplined or dismissed for serious misconduct during the past 36 months?

Yes, for all security personnel	<input type="checkbox"/>	Yes, for at least 95% of security personnel	<input type="checkbox"/>	Not always	<input type="checkbox"/>
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Scope of Activities

Which of the following activities does the proposer participate in?

ACTIVITY	Y/N	NOTES
Guarding airports or aircraft		
Guarding vehicle storage facilities		Additional Excess
Controlling crowds of people		
Controlling crowds of people engaged in a labour dispute		Limited
Medical response or paramedic services		Limited
Supply, installation, maintenance of alarm or access control systems		
Armed response to alarm systems		
Cash in transit facilities		Excluded

Note: There is no cover for liability arising out of

- the guarding of money, securities for money, jewellery, precious metals or stones or works of art whilst they are being transported in a vehicle.
- Security Services primarily hired to avert damage from crowds involved in a labour dispute

- Cover for liability arising out of failing to respond to a medical emergency or incorrectly handling a medical emergency is limited to R 1000 000.
- An additional excess of R50,000 applies to liability arising out of the Security Officers' unauthorised use of a vehicle if such person had unrestricted access to that vehicle's keys

Are there any other facts that the underwriters should take into consideration? Please note below.

NOTES

Definitions for the Safety & Security Section

PSIRA means the Private Security Industry Regulation Act (PSIRA) No 56 of 2001.
 Security Services means any activities performed by a security officer as envisaged in terms of Sectoral Determination 6 - Private Security Sector. Customer means the person or organization to whom the Contractor is providing a Security Service.
 Security Personnel means the security officer(s) performing the Security Services for the Customer.

14 | PASSENGER LIABILITY

If the Proposer requires motor third party liability cover or passenger liability cover, then please complete the following questions.

What is the required attachment point for the cover?

Note: Typically Camargue would prefer to write risks with an attachment point of R2 500 000 or higher.

Required indemnity limit?

Note: This is the amount that Camargue would cover over and above the attachment point

What is the scope of cover required?

Motor Third party Passenger Liability

Please state the number of vehicles in each category:

COUNT	VEHICLE DESCRIPTION
	Passenger vehicles up to 5 seats
	Passenger vehicles up to 12 seats
	Passenger vehicles up to 30 seats
	Passenger vehicles with more than 30 seats
	Commercial vehicles for goods transport
	Commercial vehicles for chemicals transport
	Construction/Mining vehicles
	Agricultural vehicles
	Game viewing vehicles

If the cover is taken then please provide the underwriters with a list of the registration numbers of the vehicles insured above.

NOTES

C - POLICY EXPLANATION

SUMMARY OF THE CAMARGUE GENERAL LIABILITY POLICY

Please note that this document is not a substitute for the policy wording and some technical accuracy has been forfeited for the sake of easy reading.

What is the purpose of liability insurance?

In the ordinary course of business a company could cause damage to the property of others, or even injure people. As a result, the company may become legally liable for the negligence or wrongful acts of the company's employees, directors, subcontractors, customers, suppliers and shareholders – to name just a few. Even though the company should do everything it reasonably can to prevent liability, it is simply not practical for a business to anticipate and prevent every possibility.

If the company is at fault, then it might be sued for Damages. The Camargue General Liability policy has been designed to pay for these Damages – even if the matter is settled out of court. Legal costs incurred in defending the matter are also covered.

The policy provides worldwide cover; however, there are restrictions in terms of the USA and Canada.

Important concepts

The policy frequently refers to:

- Injury, which also includes death and illness
- Damage, which includes theft and other loss to tangible property

Because these words have been given a special meaning, they have been capitalised. The word 'Insured' is also capitalised because it includes not only the insured company but also the staff when they become personally liable in the course of their employment duties.

The policy is issued on a Claims Made basis and only covers events which arise on or after the Retroactive Date and of which the Insured and Insurer become aware while the policy is active (also referred to as the period of insurance). These important concepts have been explained at the end of this document.

Overview of the Camargue General Liability policy

The cover provided by the policy is found in four sections and a number of extensions.

SECTIONS	COVERS THE INSURED'S LIABILITY FOR:
Public Liability	Injury or Damage to others arising in the general course of business. Many claims, if not most, are paid in terms of this section. Some of the exclusions under this section of the policy are covered by the other sections and extensions of this policy.
Pollution Liability	The accidental release of pollutants into the environment
Products Liability and Defective Workmanship	Injury or Damage arising out of the harmful nature of the Insured's products or out of the Insured's negligence while working on a product
Negligent Advice	Injury or Damage arising out of free advice given in promotion of the Insured's products or services
EXTENSIONS	COVERS THE INSURED'S LIABILITY FOR:
Statutory Defence Costs	Legal expenses in defence of a criminal action
Wrongful Arrest	Wrongful arrest, false imprisonment and any related assault caused by the Insured
Defamation	Defamatory statements whether written or verbal
Employers Liability	Employees injured in the workplace

The policy also contains a number of important exclusions which have been included in this summary.

SECTION A – Public Liability

The Public Liability section is also sometimes referred to as the 'General and Tenants' section. It covers the Insured's liability for Injury or Damage arising in the general course of business. Many claims, if not most, are paid in terms of this section. Some examples include:

- A visitor to the Insured's premises is injured when the Insured does not draw her attention to soap on the floor
- A fire at the Insured's property spreads to a neighbour's property
- While repairing a pipe, a plumber causes an electric fire by accidentally flooding an electricity distribution box

Some of these aspects of the cover are dealt with quite specifically by the policy, such as:

- Tenants Liability covers damage to premises that the Insured is occupying
- Employees and visitors clothing and personal effects are covered
- Government property whilst on the Insured's premises is covered
- Any property temporarily in the Insured's care for work thereon is covered - the actual part being worked on is not covered if the damage arises out of such work

It is important to remember that Public Liability excludes most liability arising out of the possession or use of a vehicle, aircraft, hovercraft or watercraft. It also excludes property belonging to the Insured or in the Insured's care (but there are some exceptions).

SECTION B - Pollution Liability

This section covers liability for Injury or Damage arising out of pollution. Pollution means the messing or releasing of any polluting gas, liquid or solid into water, land or air. The Camargue definition of pollution goes even further to include smells, vibrations, light and temperature changes, thermal irritants and contaminants.

There are two places where the policy covers pollution. Most Pollution claims are covered under the Pollution Liability section, but if the Insured's Product causes pollution then that would be covered under the Products Liability section.

There are some exclusions that need to be remembered. Cover is always subject to the Insured taking reasonable precautions to prevent pollution. There is no cover for gradual pollution. In other words, the claim must arise out of a sudden and unforeseen event during the period of insurance.

SECTION C - Products Liability and Defective Workmanship Liability

A Product is any physical item which the Insured has handed over to someone else. It could be an item which the Insured sold, or manufactured, or stored or even just worked on. If that item then causes harm to people or their property, that would be a Products Liability claim. The definition of Products Liability in Camargue's policy is wide enough to include defective workmanship.

The following example illustrates the difference between Public Liability and Products Liability. If, while rewiring an old house, the Insured accidentally causes a fire then that would be a Public Liability claim. However, if that fire only started a few hours after the Insured handed over that faulty wiring job, then that would be a Products Liability claim.

There are some important exclusions under the Products Liability section. Some of these exclusions are covered by specialised types of products liability cover such as:

- Products Inefficacy - where the Product causes a purely monetary loss to a third party simply because it does not perform as reasonably expected, e.g. a fertilizer which has no effect.
- Products Recall - which pays the transport costs of recovering dangerous, defective Products
- Products Guarantee - pays for the cost of replacing or repairing the defective product. Suppose the Insured supplies faulty brake pads which cause a customer's car to crash. Although the Products Liability section would pay for the accident damage, it would not pay the cost of replacing the faulty brake pads because that is a Products Guarantee claim.

SECTION D - Negligent Advice

This section covers the Insured against liability for Injury or Damage arising out of inaccurate or inadequate advice or information of a technical nature when promoting its products or services. This advice must be given for free - if the customer was charged for the advice then this section provides no cover. This section also excludes financial services, cost estimates or claims arising from the Insured's insolvency

The dispensing advice given by a pharmacist, for example, is covered, but a doctor's advice is not. This is because the doctor charges for the advice, but a pharmacist's advice is not specifically charged for.

Statutory Defence Costs Extension

The policy generally excludes liability arising out of criminal action. However, this extension provides cover for the legal costs in defending a criminal action brought against the Insured.

The criminal action can arise out of any law except the Companies Act, labour laws and laws relating to vehicles, aircraft and watercraft.

The Insured would not normally need to repay those defence costs if found guilty, however the fine or penalty would not be covered. The Insurers are not obliged to pay for the cost of an appeal unless they believe it is likely to succeed.

The policy would, for example, cover the Insured's defence costs if it (or its staff) were criminally charged for breaching the Occupational Health & Safety Act when their labourers were injured because they were allowed to work without protective clothing. Camargue usually automatically include this cover with a limit of R250,000.

Wrongful Arrest Extension

When the Insured causes a person to be wrongfully arrested this extension covers liability arising out of that imprisonment or out of any assault arising before being placed in police custody. It also covers any defamation arising out of the incident.

The extension only covers the claim made by the person who was arrested. It would not cover claims made by various other third parties, such as an employer who alleges lost productivity from the arrested employee.

The Wrongful Arrest extension is particularly appropriate where the Insured employs security guards, such as retail shops where suspected shoplifters are frequently apprehended. Camargue usually automatically include this cover with a limit of R250,000.

Defamation Extension

Defamation is a false statement of fact made to someone other than the victim which harms the reputation of the victim. The extension provides cover for defamatory statements made by the Insured, whether written or verbal. Defamation can also include acts such as the exhibition of a misleading picture. This extension excludes defamation arising out of any publication, radio or television broadcast. Camargue usually automatically include this cover with a limit of R250,000.

Employer's Liability Extension

This extension provides cover for injury to employees arising in the course of their employment. The extension excludes claims arising from prolonged exposure to hazardous substances. Mostly these claims are covered by the Compensation for Occupational Injuries and Diseases Act No 130 of 1993 (COID Act); however, if the Act fails to provide the necessary protection this extension would provide the cover.

The extension also covers claims where the Insured is held liable as a result of one employee intentionally injuring another. There are some exclusions to that, such as claims involving drunkenness, firearms or HIV/AIDS.

Products Inefficacy Extension

This extension is similar to Products Liability in that it covers losses caused by the Insured's Products. The big difference is that Products Liability covers claims where people are harmed or their property is damaged. By contrast Products Inefficacy covers those claims where there was no such harm or damage.

This is best illustrated by example: Suppose the Insured manufactures chicken feed. Due to a manufacturing fault, the feed poisons the chickens. That would be Products Liability claim. But suppose the fault causes no harm to the chickens, they simply don't grow as fast as they should. As a result the farmer loses money and sues the Insured for his lost income. That would be a Products Inefficacy claim.

In other words, Products Inefficacy covers pure financial losses caused when the Insured's Product does not perform as well as promised.

Errors & Omissions Extension

This extension offers professional indemnity cover. This extension applies when others suffer a purely financial loss (without physical harm to humans or their property) because of the Insured's bad advice or services.

Suppose, for example, that the Insured is a computer retailer who recommends a certain type of computer to their customer. Later, it becomes apparent that the Insured negligently overlooked some important facts and as a result those computers are a waste of money. If the customer sued the Insured for that waste of money it would likely be an errors & omissions claim.

Exclusions under this extension include:

- Harm to people or their tangible property. The intention is to cover pure financial losses that the Insured may cause to others.
- Losses arising out of defective Products (see the Product's Inefficacy extension). The intention is to cover bad advice and similar services.
- Losses arising out of the ownership or hiring out of property or vehicles. This would not be suitable cover for an estate agent who manages property rentals.
- Fines, penalties taxes or other performance guarantees (e.g. no cover for not meeting a deadline).
- Financial advice, insurance, incorrect cost estimates and dishonesty.

Cover under this extension is usually limited to small companies who require small indemnity limits (around R1m). Purchasing a separate professional indemnity policy for these companies would be an over-kill.

Warehousemen's Liability Extension

This extension covers Damage to other people's (or companies') property while it is temporarily at the Insured's storage facilities. This includes damage while the property is being loaded and unloaded at the storage facility.

It is very important to note that the owner of the property is required to have their own insurance on the property. The policy insists that there must be a disclaimer where the owner agrees not to hold the Insured liable for damage to their property in the Insured's care. In other words, this extension is intended as contingency cover, just in case the disclaimer fails (as it typically would if the Insured has been grossly negligent).

The other exclusions under this extension include:

- Mechanical or electrical derangement unless accompanied by other physical damage. In other words, there is no cover if the thing just stops working and it doesn't look broken.
- Theft of the property by the Insured's staff or contractors or similar acts of dishonesty.
- Delay in the return of the stored property
- The Insured's activities as clearing and forwarding agents
- Money, jewellery or other high value items
- Perishables and refrigerated goods

There is a similar extension which does not cover the damage to the customer's property but, instead, only covers the consequences of the damage to that property. That is called the Warehousemen's Liability - Consequential Loss Only extension.

Carrier's Liability Extension

This cover is similar to the Warehousemen's Liability extension. However, instead of covering the property while in the Insured's storage facilities, it covers the property while it is being transported by the Insured.

Custody & Control Extension

This provides wider cover than is found under the Warehouseman's and Carrier's Liability extensions. It is intended to cover third party property temporarily in the Insured's possession for any reason, including storage.

This extension excludes vehicles. It would, for example, not be ideal for panel beaters. It also excludes property which has been insured under another policy.

Breach of Copyright Extension

This extension covers the legal costs defending the Insured against allegations of breach of copyright or patent. This extension only pays the defence costs. Should the Insured lose the court case then there is no cover for the damages that the Insured will have to pay.

The cover is limited to accidents made in good faith. There are other exclusions to this extension which make it unsuitable for professionals who offer services related to giving advice on copyright related matters.

Data Protection Extension

When you are entrusted with other people's property, there is usually an automatic legal obligation to take good care of that property. Looking after information that has been given to you is no exception. Many organisations believe that their firewalls and anti-virus programs provide them with sufficient protection against cyber-risks, such as viruses and hacking. The shocking reality is very different and most businesses will, at some point, be exposed to the devastating effect of a cyber-attack.

This extension covers the Insured's liability as a result of not taking adequate care of third party confidential data on their network. In this case a third party could be almost anyone including customers, suppliers and staff.

SIGNIFICANT POLICY EXCLUSIONS

The following are key exclusions of the policy:

- Fines and Penalties - for example, liability arising from a fine which the court imposed on a company for maintaining poor safety standards
- Deliberate acts - where the Insured made a decision knowing that this would result in a claim against the policy
- Performance Warranties - failure to meet contractual obligations; e.g. the Insured incurs a liability to their customer for failing to deliver goods on time
- Admission of Liability - if the Insurer's liability increases because the Insured admitted to being at fault, then the policy would not pay for the increased liability
- Defamation - saying or writing untrue and harmful statements is not covered (cover for negligent defamation is available)
- Insurance covered by other policies or by extensions to this policy that were not selected
- Claims arising out of a nature of business which is not specified in the policy schedule
 - o The correct nature of the Insured's business must be detailed on the policy schedule
 - o For example, if the Insured's policy-stated business is "painting buildings", then there would be no cover for the Insured's work as a manufacturer of chemicals
- A material change to the Insured's risk of which the Insurers were not advised
- Claims arising out of war, terrorism, nuclear materials or asbestos
- Employment - no cover for injury arising out of employment unless the relevant extension has been selected
- Claims brought against people in their personal capacity because they mismanaged the company (this cover is provided in terms of a Directors and Officers' Liability policy).
- Possible claims of which the Insured was aware of before the policy started
- Events giving rise to a claim which occurred prior to the Retroactive Date
- Claims that were not made against the Insurer during the period of insurance
- Excess - that portion of the claim falling within the Excess is paid by the Insured
- Damage arising out of the confiscation of property by government
- Liability arising out of advice of a professional nature given for a fee
- Damage arising out of electrical or magnetic fields
- Aircraft - claims arising out of working on or operating aircraft
- Claims brought against the Insured in the courts of the USA and Canada
- Claims arising out of the disposal or transport of dangerous goods

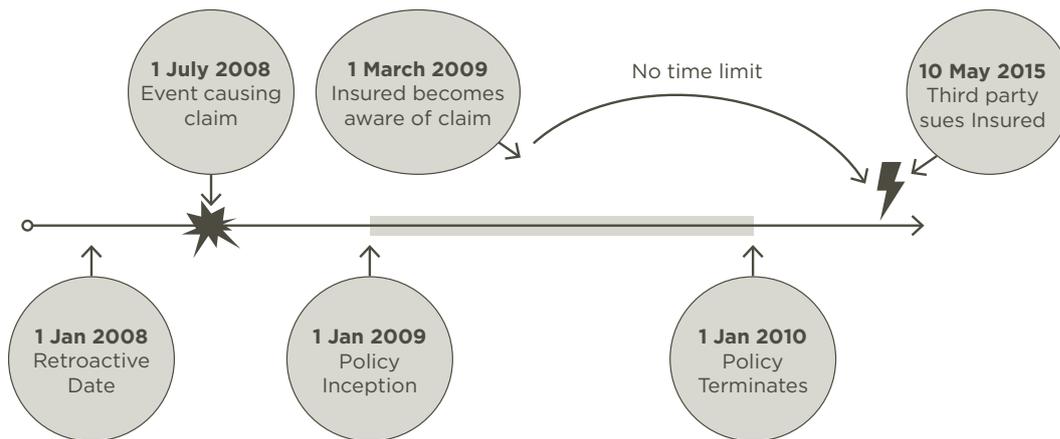
FURTHER EXPLANATIONS

Retroactive Date

There are three very important dates that are used to decide whether a claim is covered or not. The first is the date when the loss was caused. The second is when the Insured found out that they had done something wrong and the third: when they tell the insurers.

DATE	WHAT HAPPENED	WHAT HAPPENED	WHAT HAPPENED
First date	The date when the Insured caused the loss	On 1 July 2008 the Insured's employee drives the bulldozer into a visitor's car, but tells no-one.	Must have happened on or after the retroactive date.
Second date	When the Insured found out that they did something wrong	On 1 March 2009 he 'comes clean' and tells the Insured that he was responsible for the mysterious dent in that brand new Rolls Royce.	Must be during the period of insurance.
Third date	When the Insured tells the insurers	On 2 March 2009 the Insured notifies the Insurers.	Must be during the period of insurance.
Fourth date	The visitor finds out and starts legal action.	At 3:17 pm on 10 May 2015 the visitor goes nuclear.	Not as important as the first three dates.
Fifth date	The court rules in favour of the visitor	The policy pays.	Date not important.

The following diagram illustrates the example visually.



Retroactive cover provides the Insured with cover for claims arising from events that occurred before the start date of the policy (provided that the Insured did not already suspect there would be a claim).

An event giving rise to a claim must occur on or after the Retroactive Date. This means that there is no cover for events which occurred before the Retroactive Date. Often the Retroactive Date coincides with the date the policy started. Subject to an additional premium an earlier date can sometimes be arranged with the insurers.

IN SUMMARY: Camargue liability policies are issued on a claims-made basis which means that the Insured must become aware of the possibility of a claim during the period of insurance. The Insured must immediately notify the Insurers when they become aware of a possible claim.

The event causing the claim could occur before the policy started provided that it is on or after the Retroactive Date.

CONCLUSION

A liability policy wording can be a daunting document. Fortunately, a list of frequently asked questions can be accessed at www.camargueum.co.za/academy. These questions address every aspect of the policy and provide simple explanations. This document has been compiled out of their answers.