

27 March 2015

Dear SACNASP Registered Scientists

**RENEWAL OF SACNASP PROFESSIONAL INDEMNITY INSURANCE SCHEME ('SPIIS')
FOR THE 2015-2016 PERIOD OF INSURANCE – CHANGE TO QUALIFYING CRITERIA-
MAXIMUM TURNOVER ALLOWED INCREASED FROM R1 MILLION TO R2 MILLION**

1. Further to our previous communication of 20 March 2015 relating to the renewal of your insurance under the **SACNASP PROFESSIONAL INDEMNITY INSURANCE SCHEME ('SPIIS' or the SACNASP Scheme)** and changes to the qualifying criteria to obtain cover under the Scheme:
 - a. One of the new qualifying criteria under the SACNASP Scheme was that in order to qualify, your annual fee turnover could not exceed R1 million.
 - b. This meant that many individuals and companies who previously qualified for cover under the SACNASP Scheme no longer qualified.
 - c. In many instances, where individuals and companies no longer qualified for cover under the SACNASP Scheme solely due to their annual turnover exceeding R1 million, we established that their turnover did not exceed R2 million.
 - d. We are pleased to advise that we were successful in renegotiating the maximum turnover threshold with Hollard.
 - e. Further to submissions made to Hollard, they have agreed to amend the qualifying criteria for cover under the Scheme by increasing the maximum annual turnover from R1 million to R2 million.

2. Therefore if this qualifying criteria affected you and you no longer qualified for cover under the SACNASP Scheme solely because your annual turnover exceeds R1 million, you will now qualify for cover under the SACNASP Scheme so long as your annual turnover does not exceed R2 million and you meet all the other qualifying criteria.
3. We would like to extend our gratitude to many of you who provided us with your feedback and comments on the new qualifying criteria, but especially Mr Nigel Sunley, of Sunley Consulting, whose comments were instrumental in our persuading Hollard to increase the maximum annual turnover threshold from R1 million to R2 million.
4. **REMINDER OF QUALIFYING CRITERIA FOR COVER UNDER THE SACNASP SCHEME**
 - a. If you are applying for cover as an individual then your annual turnover from services cannot exceed **R2 million per year**. Previously this threshold was R5 million per year.
 - b. If you are applying for cover for a company then your company's annual turnover cannot exceed **R2 million per year**. Previously the threshold was R5 million per year.
 - c. The total number of your employees (including yourself/directors/partners and/or members) cannot exceed **5 people**. Previously the allowed threshold was 10 people.

5. REMINDER OF FURTHER QUALIFYING CRITERIA FOR COVER UNDER THE SACNASP SCHEME (UNCHANGED):

- a. You should not be aware of any circumstances or incidents which have occurred in the past 5 years which could or which have led to a

claim/complaint against you/your company which would be covered under this policy, i.e. claims arising out of allegations of negligence or public or products' liability.

If you take up cover under the on-line scheme and it is subsequently established that you were aware of circumstances or incidents which could or which have led to a claim against you or your company, Hollard may elect to void your cover from inception or the indemnity afforded under this policy will be negatively impacted by virtue of material non-disclosure.

Unfortunately even if a threatened claim against you is completely without merit or vexatious or frivolous, this would still disqualify you from applying for cover under the on-line SACNASP Scheme.

- b. All people who qualify for SACNASP registration must be registered with SACNASP or apply for registration with SACNASP simultaneously with their application for SPIIS cover.
- c. Services rendered by yourself or your company must fall within the scope of the natural scientific professions.
- d. You have to be domiciled in South Africa if you are applying for individual cover.
- e. If you are applying for cover for a company then your company needs to be registered in South Africa.
- f. Where you are applying for cover for a company/partnership/cc, all directors/partners/members must qualify for SACNASP registration. The only exception allowed is where such director/partner or member is completely inactive in the business or is involved in a capacity which falls

within the description of administration, legal or accounting functions which are necessarily ancillary to the provision by the company of natural science services. However- you still need to make payment at the professional scientist rate for each director in order to obtain cover for the company (i.e. payment for each director is required regardless of whether they are a professional scientist or not and regardless of what function they perform in the business).

6. YOU/YOUR COMPANY WILL NOT QUALIFY FOR COVER UNDER SPIIS IN THE FOLLOWING CIRCUMSTANCES:

- a. If you have any directors/partners/members who are engineers and who are rendering services which fall within the scope of engineering, then your company/partnership/cc **does not qualify for** cover under the SPIIS.
- b. In respect of an existing or previous professional indemnity insurance, the insurer under that policy declined to renew your insurance; and/or
- c. In respect of an existing or previous professional indemnity insurance, if any insurer has cancelled your insurance policy (please note that this is not the same as allowing your policy to lapse).

7. Please note that no cover will be provided under the SPIIS on-line registration cover for the following professions - this exclusion applies similarly to any fellow directors and employees:

- a. Any professional in the building industry, namely: Engineers including geotechnical engineers / architects / quantity surveyors / construction contractors / Chemical and Mining Engineers, etc.,
- b. Valuers & Loss adjusters

- 8. If you fall within the excluded professions mentioned above please complete and submit the SACNASP Non scheme proposal form.**

We can obtain quotes which do provide cover for the above excluded professions, but this has to be done using the non-scheme application form as the on-line application does not cater for these professions.

- 9. Please check the qualifying criteria above and complete and return the attached non-scheme application form to us at noleen@cfpbrokers.co.za (please copy kristy@cfpbrokers.co.za) only IF you no longer meet the qualifying criteria to be covered under the SACNASP Scheme.**

- 10. You can also obtain a copy of the 'non-scheme' proposal form from our website, in the drop-down menu under the 'Application' tab.**

- 11. If you no longer meet the qualifying criteria to be covered under the SACNASP Scheme we will obtain renewal quotes from various insurers for your consideration once we have received your completed proposal form.**

- 12. It is important that you let us have your completed proposal form as soon as possible, as manual processing of these applications will take between one and two weeks and we need to allow sufficient time before 15 April 2014 for us to assist you in finalising the renewal of your insurance.**

- 13. Hollard have confirmed that they will hold covered on all 1 April 2015 renewals to and including 15 April 2015 to allow sufficient time for these renewals to be finalised. However please note that if you make use of the hold-covered period, you will need to pay Hollard for the period that they have held covered in the event that you elect to renew your cover elsewhere or not to renew your cover at all.**

14. If you will not be able to renew your cover before 15 April 2015, please will you contact us so that we can arrange to extend your cover to and including 30 April 2015 to allow sufficient time to finalise your renewal. Please note that you will then need to pay one month's pro-rata premium for the month of April. The pro-rata premium will be based on your expiring premium and we will send you an invoice with the relevant bank account details to make payment and let you have proof of the extension of your cover once we have received your proof of payment.
15. **If you still qualify for cover under the SACNASP Scheme, then please finalise your renewal on-line once we advise that the on-line renewal system is ready to process renewals of cover.**
16. Please do not attempt to log-in to renew your cover until we have advised that the system updates have been completed. Please note that except for circumstances described below, all renewals need to be done on the on-line system and none will be processed manually.
17. **REMINDER OF WHAT YOU NEED TO DO IF YOU DO NOT QUALIFY FOR COVER UNDER SPIIS DUE TO NOT MEETING THE QUALIFYING CRITERIA**
- a. You may find that due to a change in your circumstances you no longer qualify for cover under SPIIS.
 - b. If this is the case, all that this means is that you will not be able to use the on-line system to renew or apply for cover.
 - c. You should then please complete and return to us the 'non-scheme proposal form' which is attached and which can also be found in the drop-down menu under the 'New application' tab. Please send your completed form to noleen@cfpbrokers.co.za (and copy kristy@cfpbrokers.co.za).



- d. Please note that the same form will be used whether you are renewing your cover or whether you are applying for cover for the first time (and do not meet the qualifying criteria for cover under SPIIS).
18. Only those applicants who do not meet the qualifying criteria need to complete this form and return it to us for manual processing and for us to obtain open-market quotes to send to you for your consideration.



19. All other applicants who meet the qualifying criteria need to renew on-line unless eg you require a higher limit of indemnity than is offered under SPIIS (currently R10 million each and every claim under the professional indemnity section of the policy). In this case you should also please complete the non-scheme application form so that we can assist you with quotes.

Thank you to all of you who have supported SPIIS this year and contributed to its success and continuation.

Please do not hesitate to contact Kristy or Noleen if you have any queries, concerns or if you need any assistance.

Kind regards

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