



# SACNASP

## Professional Indemnity Insurance Scheme (‘SPIIS’)

Summary of cover for 2023 to 2024

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Please note that this document **ONLY** provides a brief overview of the cover offered.

We **URGE** you contact us directly for individualized advice if you are

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## THE SACNASP PROFESSIONAL INDEMNITY SCHEME ('SPIIS')

### WHAT IS COVERED?

Please will you visit our website [www.cover4profs.co.za/sacnasp](http://www.cover4profs.co.za/sacnasp) in order to obtain more information on the policy. There is an extensive list of FAQ's which generally answers all questions a SACNASP member might have.

Professional Indemnity insurance essentially provides a professional consultant or company providing advisory or other similar professional services, with indemnity (cover) in respect of their legal liability to compensate any third party for damages they suffer as a result of professional negligence, errors or omissions which occurred or are alleged to have occurred during the course and scope of rendering professional's duties. The policy also covers the costs of legal fees and expenses to defend the Insured against a claim.

Policy Details			
Section Name	Limit of Indemnity	Basis of Limit	Deductible (Applies to Each and Every Claim)
<b>Professional Indemnity</b>	<p>The following limit options are available:</p> <ul style="list-style-type: none"> <li>• R1,000,000</li> <li>• R2,500,000</li> <li>• R5,000,000</li> <li>• R10,000,000</li> <li>• R15,000,000</li> <li>• R20,000,000</li> </ul> <p>You are able to contact us for quotes for higher limits of cover.</p>	Each and Every Claim	R5,000
<b>Costs &amp; Expenses (Disciplinary Hearings)</b>	R250,000	Aggregate	R2,500
<b>Documents (Own)</b>	R250,000	Aggregate	R2,500

<b>Extensions applicable:</b>			
<b>Extension/s</b>	<b>Limit of Indemnity (Per Claim)</b>	<b>Limit of Indemnity (Per Policy Period)</b>	<b>Deductible / Excess (each &amp; every claim)</b>
Joint Ventures	Included in the Professional Indemnity Limit chosen	Included in the Professional Indemnity Limit chosen	Follows main professional indemnity Deductible
Sub-contractors	Included in the Professional Indemnity Limit chosen	Included in the Professional Indemnity Limit chosen	Follows main professional indemnity Deductible
Public Liability	Follows the main professional indemnity limit	Included in the Professional Indemnity Limit chosen	Follows main professional indemnity Deductible
Product Liability	R 1 000 000	R 1 000 000	Follows main professional indemnity Deductible
Statutory Defence Costs	R 250 000	R 250 000	R 2,500
Wrongful Arrest	R 250 000	R 250 000	R 2,500
Disciplinary Defence Costs	R 250 000	R 250 000	R 2,500
Loss of Documents (Own)	R 250 000	R 250 000	R 2,500

**Professional Indemnity cover provided under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') policy** includes cover for liability following:

- A Negligent Act, Error or Omission
- Unintentional Breach of Confidentiality
- Unintentional Infringement of Intellectual Rights
- Accidental / Unintentional Loss / Theft of Third-Party Documents
- Dealing in good faith with tainted Third-Party Documents
- Dishonesty of Employees

**Professional Indemnity cover and some of the extensions are offered on an Each and Every Claim basis.**

The chosen limit would be available to you to cover each and every claim which arises during the policy period- i.e. each claim which arises during the policy period will be covered up to the chosen limit. If there are multiple claims during the insurance period, they will each be covered separately up to your chosen limit of indemnity and will not have to share the limit of indemnity. However, be aware that even if you have cover on an each and

every basis, this limit will be converted to an aggregate limit basis, where multiple claims arise out of the same cause of action, i.e. out of the same negligent act, error or omission.

**Some of the extensions are offered on an aggregate basis which means that you would have one exhaustible limit of cover for the period of insurance, which needs to be shared by all claims arising during that period of insurance.**

All legal costs and expenses, damages, settlement awards, VAT and interest payments for all claims arising during the policy period will reduce the limit that you are covered for, for the balance of the insurance period. Although you can generally increase your limit at any time during the policy period, if you notify insurers of potential claims or if you have any claims during the period, it is unlikely that insurers will be willing to offer you terms to increase your limit of cover. Even if they do agree to allow you to increase your limit of cover, the limit of cover that you had in place prior to requesting the increase will apply to all claims arising out of incidents which you are aware of at the time that you request the increased limit.

## THE SACNASP PROFESSIONAL INDEMNITY SCHEME ('SPIIS')

### QUALIFYING CRITERIA

**We recommend that you double check whether you qualify for the scheme cover.** You can apply for the SACNASP Scheme cover if you qualify for the cover:

1. Fees (annual income prior to deductions) for qualifying members must be less than R3 million per annum.
2. Number of members in a company need to be 6 or less.
3. No prior claims/circumstances in the past 5 years.
4. No known complaints or circumstances which could give rise to a claim in the future.
5. With respects to prior cover – no insurer has declined to provide cover, imposed harsher or special terms nor cancelled the cover.
6. For additional qualifying criteria please visit our website. [www.cover4profs.co.za/sacnasp](http://www.cover4profs.co.za/sacnasp)
7. **No more than 50% of annual turnover can be derived from outside South Africa.**
8. **South African Jurisdiction and South African Law would have to apply to all of your contracts.**
9. **Must be a member of SACNASP or in the process of registering with SACNASP.** It is a condition of cover under most professional indemnity insurance policies (regardless of who you place your cover with) that you are registered with any statutory authority that you are required by law to be registered with.

We may still be able to offer the same SPIIS cover to larger companies and we would recommend that you contact us for additional information if you do not meet the qualifying criteria above.

## HOW TO APPLY FOR COVER UNDER THE SACNASP PROFESSIONAL INDEMNITY SCHEME ('SPIIS')

You can generate as many quotes as you would like for yourself at <https://cover4profs.co.za/sacnasp/online-quotation.php> - Just a few clicks and putting in the number of scientists to be covered and you'll have the quotes on the screen.

Proceed to click on either of these two links to apply for cover:

- **Company cover** <http://www.cover4profs.co.za/sacnasp/compreg00.php>
- **Individual cover** <http://www.cover4profs.co.za/sacnasp/nindivreg00.php> .

We recommend the company cover if you bill your clients as a company. The cost per scientist for company or individual cover is the same.

If you have directors who are not SACNASP registered by who are providing administrative, legal or accounting functions then you need to add them to the cover as a non-SACNASP registered director.

If your application is successful, the system will direct you to PayFast in order for you to pay the annual premium.

If you can't pay immediately, you can login to the SPIIS website using the email address and the password that you have entered previously. The system will then show you that you have an unpaid invoice which you can then pay. Once you have paid the system will complete the process by emailing you the certificate and policy document.

## WHAT IS NOT COVERED UNDER THE SACNASP PROFESSIONAL INDEMNITY SCHEME ('SPIIS')

Please refer to our website for sight of all of the exclusions, as this document does NOT provide a full list of the exclusions of cover. Below we have listed some of the noteworthy exclusions.

**There is no cover for:**

- a. **Cyber Liability.** In these times cyber risks are far more advanced and need to be covered under a full cyber policy to ensure that you are adequately covered. If you would like to know more about cyber liability cover please feel free to contact us.

- b. **Anti-Competitive Activities.**
- c. **Contractual Liability** – Unless liability would have attached in the absence of such a contract. All professional indemnity policies exclude this as Insurers don't want to cover any additional liability that an insured may attach to themselves.
- d. **Directors' and Officers' Liability** – If you would like to cover your management liability arising out of your fiduciary duties you would need a separate policy. Please let us know if you require additional information about this type of cover.
- e. **Employment/Discrimination.**
- f. **Communicable Disease.**
- g. **Fines/Penalties** - Fines, penalties, punitive or exemplary damages incurred by you are not covered whereas if a Third Party receives fines (etc) you would be indemnified as this would be viewed as Compensation.
- h. **Pollution** – Apart from the fact that you would not be covered if you caused pollution, this policy also doesn't cover any direction, request or effort to: (i) test for, monitor, clean up, remove, contain, treat, detoxify or neutralise Pollutants, or (ii) respond to or assess the effects of Pollutants;
- i. **Prior known claims or claims arising form services prior to your retroactive date.**
- j. **USA/Canada.**

**Please note that under the public and products' liability sections of the policy there is no cover for any claims / damages / losses either directly or indirectly relating to the following:**

1. Blood Banks, Blood Products and Blood Transfusion Services
2. Marine Liability and/or Marine Products
3. Livestock business including spread of disease
4. Known exposures to Polychlorinated Biphenyls (PCB s)
5. Infectious epidemics/pandemics
6. Marine protection and indemnity risks
7. Waste disposal and/or toxic waste
8. Pharmaceutical products including implantation medical devices
9. Any involvement relating to: Wood preservatives; Corrosion preventatives; Chloric cleaning agents; **Insecticides and pesticides; Herbicides; Fertilisers**; Animal Feed where chemical additives are used in the preparation of such feeds; Hazardous Chemical Products; Medical equipment and dressings; Electrical and electronic controlled equipment; Paints and Lacquers; Cosmetic products, Medical implantation devices.
10. Genetic Engineering

## SOME OF THE GENERAL TERMS AND CONDITIONS UNDER THE SACNASP PROFESSIONAL INDEMNITY SCHEME ('SPIIS')

1. **The basis of cover is claims'-made.** This means that it is the policy that is in place at the time that the claim is made or at the time that you become aware of an incident or circumstances that may lead to a claim being made against you (whichever occurs first), which is expected to respond to cover the claim. This will not necessarily be the policy that is in place at the time that you render the services which gives rise to the claim.

It is well known that claims sometimes only arise months or even years after the service has been rendered. Please feel free to contact us for information about the implications of claims' made cover which is the basis that all professional indemnity policies work on.

2. The limit of indemnity that you select for the company is inclusive of all costs and expenses and therefore needs to be sufficient to cover your anticipated exposure to both claims and expenses in investigating, defending and potentially settling such claims.
3. Any employees who qualify for SACNASP registration whether as a professional, certificated or candidate scientist will be automatically excluded from cover under your company's policy unless you name them and pay for cover for them under your company policy or they apply for cover in their own name and pay for it using the on-line Indemnity Insurance Registration System.
4. **The deductible is an excess payable when you have a claim.** This is the amount you would be required to contribute toward any claim made under the policy. You will need to pay an excess if Insurers have had to incur legal costs and expenses in the investigation and defence of a claim against you, regardless of whether you successfully defend the claim or not. Insurers are often willing to offer you reduced premiums if you are prepared to accept a higher excess payment. In the event that you report a claim, incident or complaint against you, we will first need to obtain proof from you and confirmation from SACNASP that all the directors of the company who qualify for SACNASP registration are paid-up registered scientists of SACNASP at the time of reporting the incident and also at the time that you rendered the services giving rise to the claim or complaint against you (unless you have purchased retroactive cover and you were not all paid-up scientists of SACNASP prior to applying for this cover).
5. We will not be able to assist you and you will not be covered under SPIIS unless SACNASP is able to provide us with written confirmation that all directors who qualify for registration with SACNASP are paid-up registered SACNASP scientists at the time that you notify us of an incident, claim or complaint against you.



6. The cover under the policy is only intended to respond to claims arising out of services rendered which fall within the scope of natural sciences and services necessarily ancillary thereto, eg accounting , legal and administrative services.
7. If you render services which cannot be categorised as falling within the scope of natural sciences then cover obtained under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') will not cover such services.
8. If you are replacing an existing insurance policy with the cover under the SACNASP Professional Indemnity Insurance Scheme ('SPIIS') and you wish to retain your retroactive cover as provided under your expiring policy, it is essential that you ensure that there are no 'gaps' in cover.
9. This means that you must ensure that you incept this cover from the same day that your expiring policy lapses and you must ensure that you retain proof that you had this cover in place and that it was paid for.
10. Insurers will require you to provide a copy of your previous policy schedule as proof of your retroactive cover in the event of a claim and will not provide you with retroactive cover in the event of a claim- if you are unable to furnish them with proof of previous uninterrupted insurance.

**Please contact us if you are unsure about anything in the application or if you need some advice with respect to the appropriate limit of cover for your needs.**

Kind regards



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