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# PROPOSAL FORM FOR SHORT TERM INSURANCE BROKERS' PROFESSIONAL INDEMNITY INSURANCE

**Including Directors' and Officers' Liability, Employment Practice Liability and Fidelity Guarantee**

## IMPORTANT NOTICE

This is a proposal for a contract of insurance, in which 'Proposer' or 'you/your' refers to the individual, company, partnership or close corporation proposing for cover.

This proposal must be completed in black ink, signed and dated. All questions must be answered to enable a quotation to be given but completion does not bind you or Underwriters to enter into any contract of insurance. If space is insufficient to answer any question fully, please attach a signed continuation sheet. You should retain a copy of the completed proposal (and of any other supporting information) for future reference.

All facts material to the proposed insurance must be disclosed, fully and truthfully to the best of your knowledge and belief.

You are at liberty to request a specimen copy of the proposed policy and to consider carefully the terms, conditions, limitation and exclusions applicable to the cover. The proposed insurance is a Claims Made policy and covers only those losses which arise from certain events discovered or claims made against the Insured during the period of insurance, as specified in the policy.

1. Your Business Details

1.1 Full legal name of the Proposer: \_\_\_\_\_

1.2 Postal address: \_\_\_\_\_

1.3 E-mail address: \_\_\_\_\_

1.4 Telephone no: \_\_\_\_\_ Fax No: \_\_\_\_\_

1.5 Company or Close Corporation Registration no: \_\_\_\_\_

1.6 VAT Registration no: \_\_\_\_\_

1.7 Principal business address: \_\_\_\_\_

1.8 Other addresses at which business is conducted: \_\_\_\_\_

1.9 Date business was established: \_\_\_\_\_

**SHARING THE LIGHT TO GROW OTHERS**

1.10 Are you currently approved by the Financial Services Board? Yes / No

If 'Yes' please give license number and category: \_\_\_\_\_

During past 10 years has the name of the business changed or has a merger or takeover taken place? Yes/No

If 'Yes' please give details: \_\_\_\_\_

1.12 Are any subsidiary companies to be included in this insurance? Yes/No

If 'yes' please give names and include staff numbers in 2 below:

**DETAILS ABOUT YOU AND YOUR STAFF**

2.1 Details of all members, partners, principals, or directors:

Name	Age	Professional Qualifications	Years Experience

2.2 Details of any other Key Individuals registered with the FSB and not listed above:

Name	Age	Professional Qualifications	Years Experience

2.3 Details of all Representatives registered with the FSB:

Name	Age	Professional Qualifications	Years Experience

**2.4** Has any member, partner, principal or director ever been subject to disciplinary proceedings by any association or professional body, including debarment by the Financial Services Board? Yes/No

If 'yes' please give details: \_\_\_\_\_

\_\_\_\_\_

**2.5** How many other staff are employed by the business other than the individuals named above? \_\_\_\_\_

**3. Financial information**

**3.1** Please advise the business's financial year end:

\_\_\_\_\_

**3.2** Please advise your gross earnings for the current and past two years (commissions and policy fees or similar):

Current Financial Year (Estimate)	Last Financial Year	Previous Year
R _____	R _____	R _____

**3.3** Please indicate approximate split of your business:

Personal Lines: _____%	Commercial (specify if over 25%*): _____%
Security/Commodities: _____%	Unit Trusts: _____%
Treaty Reinsurance: _____%	Aviation: _____%
Marine _____%	Other (please specify*) _____%

Fund Manager: _____%	Value of funds under management: R _____
Life/Pension: _____%	Intermediary Advice/Financial Services <span style="float: right;">Yes/No</span>
Pension Fund Administration	Yes/No
Investment Advice _____%	Are you a Category II Licence holder <span style="float: right;">Yes/No</span>

\*Where asked to specify please provide detailed information on a separate sheet.

**3.4** Is more than 50% of your business placed with a single Insurer? Yes/No

If yes provide details: \_\_\_\_\_

\_\_\_\_\_

3.5 Please detail the three largest placements by your firm:

Name of Client	Class(es) of Cover arranged	Total premium value

3.6 Do you place any risks domiciled outside the Republic of South Africa? Yes/No

If "Yes" please provide details: \_\_\_\_\_

\_\_\_\_\_

3.7 Have you in the past or do you intend in the future to undertake any activities other than those disclosed? Yes/No

If "Yes" please provide details: \_\_\_\_\_

\_\_\_\_\_

**4. Management of the business**

4.1 Do your management procedures require that:

(a) written confirmation is provided for risks bound (detailing the basis upon which bound), expired or not taken up? Yes / No

(b) all cover notes and policies are checked and signed by senior personnel, where one person (signatory) has not been involved in the placement alone? Yes / No

(c) all policy documentation is checked and signed by a partner or director before issuance? Yes / No

(d) your disaster recovery plan ensures that all risk/client information is backed up at least daily and stored off premises? Yes / No

(e) any proposal forms completed by you are signed off by your client? Yes / No

(f) standard contract conditions limit your liability?  
Please provide a copy of your standard contract conditions. Yes / No

If the answer to any of the above questions is "No", please give details:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4.2 Do you operate any binding authority (ies) or underwriting and/or claims mandate authority (ies) on behalf of any insurer? Yes / No

If "Yes" please give full details including copies of such authority (ies):

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5. **Insurance history**

5.1 Are you currently insured for the following? If "Yes" please state Insurer & Policy Number:

Professional Indemnity Yes / No \_\_\_\_\_

Directors and Officers Liability Yes / No \_\_\_\_\_

Employment Practices Liability Yes / No \_\_\_\_\_

Fidelity Guarantee Yes / No \_\_\_\_\_

5.2 In respect of any of the risks to which this Proposal relates (and any business in which you, your directors or partners have been engaged) has any insurer

(a) declined a Proposal, refused renewal or terminated an insurance? Yes / No

(b) required an increased premium, stipulated an increased excess / deductible / first amount payable or imposed special terms? Yes / No

If (a) or (b) above is answered "Yes" please give full details:

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5.3 Have you, in the last 6 years, suffered a loss and / or made a claim in respect of the classes mentioned in 5.1 above? Yes / No

If "Yes" please give full details:

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5.4 Are you or any member, partner, principal, director or employee **after full enquiry** aware of any circumstance which may give rise to a claim against you and /or the company / close corporation / partnership or its predecessors or any past or present member / partner / principal / director or employee? Yes / No

If "Yes" please give full details: \_\_\_\_\_

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**6. Coverage required**

Your policy will include cover for Professional Indemnity, Directors and Officers Liability, Employment Practice Liability and Fidelity Guarantee for a combined Limit of Liability for any one loss and in the Annual Aggregate.

**6.1** Please indicate the Limit of Indemnity required: R\_\_\_\_\_

**6.2** Do you want to include one Reinstatement of the Limit of Indemnity at an additional premium of 17.5% of the Annual Premium?  
Yes / No

**6.3** Your policy will be subject to a First Amount Payable in respect of each and every claim as follows:

**(a)** Gross earnings up to R 2,500,000: First Amount Payable @ R 25,000.

**(b)** Gross earnings between R 2,500,001 and R 5,000,000: First Amount Payable @ 1% of Gross Earnings.

**(c)** Gross earnings between R 5,000,001 and R 10,000,000: First Amount Payable @ 0.8% of Gross Earnings subject to a minimum amount of R 50,000.

Do you want to increase the minimum amount to R 100,000 for a premium discount of 10%? Yes / No

**(d)** Gross Earnings exceeding R 10,000,000: First Amount Payable 0.8% of Gross Earnings subject to a minimum amount of R 100,000.

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**DECLARATION**

I hereby declare that I am authorised to complete this proposal on behalf of the Proposer and that, to the best of my knowledge and belief, the statements and particulars in this proposal are true and complete and no material facts have been misstated or suppressed. I undertake to inform Underwriters of any material alteration or addition to these statements or particulars which occurs before any contract of insurance based on this proposal is effected and acknowledge that this proposal (together with any other information supplied to underwriters) shall be the basis of such contract.

Signed \_\_\_\_\_ Name \_\_\_\_\_

Capacity \_\_\_\_\_ Date \_\_\_\_\_