



LOMBARD



1 September 2021 *Policy Document*

Underwritten by Leppard and Associates (Pty) Limited
an Authorised Financial Services Provider (FSP 274)
for and on behalf of
Lombard Insurance Company Limited,
an Authorised Financial Services Provider (FSP 1596)

PROFESSIONAL INDEMNITY and PUBLIC LIABILITY INSURANCE FOR INSURANCE BROKERS and FINANCIAL INTERMEDIARIES

INTRODUCTION

This is a contract of insurance and is subject to the law of the Republic of South Africa.
All words in **bold typeface** have a specific meaning.

The contract number is: P51 015464

This contract is entered into by the **Underwriting Manager** on **Our** behalf.

Authorised **Underwriting Manager** signature

DECLARATION

You have given **Us Material Information** and **We** relied on the truth of this **Material Information** when **We** entered into this contract.

If **We** discover the **Material Information** is incorrect or incomplete **We** reserve the right to cancel this contract from the **Inception Date**. Before **We** cancel the contract **We** will agree with **You**;

1. the action required by **You** to correct or complete the **Material Information** and
2. any revised terms that **We** may require to continue with this contract.

If there is no agreement or if **You** do not take the action required then **We** will cancel the contract.

IMPORTANT

Ensure that **You** are aware of the following contract clauses.

1. **Premium** payment grace period: clause 24.
2. **Cyber and Impersonation** Exclusion: clause 35.5.
3. **Infectious Disease** Exclusion: clause 35.12
4. **Mandate** Exclusion: clause 35.15.
5. Breach of **Mandate** and Insurers: clause 37.
6. **Infectious Disease** and compliance **Laws**: clause 38.
7. **Third Party** Money and Property protocols: clause 42.
8. Contract acceptance and cancellation periods: clause 44.

CONTRACT SCHEDULE

We, Your insurers, are: Lombard Insurance Company Limited
(Reg. No.1990/001253/06) (FSP No.1596) (Vat No. 4360121331)
22 Wellington Road, Parktown, Johannesburg, 2193, South Africa

Underwriting Manager: Leppard and Associates (Proprietary) Limited
(Reg. No.1991/002788/07) (FSP No.274) (Vat No. 4270124466)
13 Baker Street, Johannesburg, 2196, South Africa

The insured entities under this contract are: Vision Insurance Brokers (Pty) Ltd t/a Vision Insurance

Your Business: **Your Professional Services** arising out of those categories and products as authorised in terms of **Your** Financial Service Provider Licence No. 12783 and as declared to and agreed by **Us**

Contract Period: **Inception Date:** 1 September 2021
Expiry Date: 31 August 2022

Retroactive Date: 1 August 2020

Premium including Value Added Tax: R112,271.69 payable on the **Inception Date**

Limit: R10,000,000 for **Any One Claim**
but R20,000,000 in total for the **Contract Period**

Deductible: R100,000

Endorsements applicable forming part of this insurance contract:

1. Loss of Documents
2. Statutory Defence Costs
3. Regulatory and Disciplinary Expenses
4. Public Liability
5. Cyber and Impersonation

This contract of insurance is compliant with the Commissioner's directive in terms of section 20(7) or 21(5) (as the case may be) of the Value Added Tax Act 89 of 1991. Proof of payment of the premium (e.g. a bank statement) and the possession of this contract of insurance will suffice as a valid tax invoice for the purposes of claiming an input tax deduction.

DEFINITIONS

1. **Any One Claim:** all **Claims** with one original cause or source regardless
 - 1.1. of their number or
 - 1.2. the identity of the claimants or
 - 1.3. whether one event or series of events.
2. **Business:** the provision of **Professional Services You** perform as **You** have declared to **Us** and as summarised in the **Schedule**.
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:
 - 8.1. investigating, defending, settling or mitigating the financial impact of a **Claim**
 - 8.2. investigating a **Circumstance** or preventing a **Claim**.
9. **Cyber and Impersonation Event:** the unauthorised, malicious or fraudulent act of a **Third Party** who;
 - 9.1. accesses or attempts to access any **Computer, Data, Electronic Systems**, electronic mail, website or digital information data base,
 - 9.2. assumes or adopts the identity of or impersonates another party.
10. **Damage:** the physical damage to or loss of use or control of any tangible property.
11. **Deductible(s):** the amount to be borne by **You** at **Your** own cost in respect of the first part of any **Compensation** in relation to **Any One Claim**.
12. **Employee:** any person employed under a contract of employment or apprenticeship with **You**, or any other individual who is **Your** partner, director, member or consultant.
13. **Expiry Date:** the date shown in the **Schedule**.
14. **Inception Date:** the date shown in the **Schedule**.

15. **Infectious Disease** Coronavirus (COVID-19) including any mutation or variation or any pandemic or epidemic, as declared by the World Health Organisation or any governmental authority.
16. **Injury:** the death of or injury to or illness affecting any person.
17. **Laws:** laws formulated by any government or authorised authority.
18. **Limit or Limits:** the maximum amount **We** will pay **You** as indemnity plus **Value Added Tax** in addition.
19. **Loss:** **Injury, Damage** or any monetary loss.
20. **Malicious Code:** any virus, Trojan Horse, worm, spyware, malware, time and logic code bombs or other disabling, invasive or destructive computer code.
21. **Mandate:** an outsource or binder agreement granted to **You** by any South African registered Insurer.
22. **Material Information:** the description of **Your Business, Your** Financial Service Provider and if any Juristic Representative details, **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.
23. **Pollution:** the escape of any gas, liquid, substance or noise.
24. **Premium:** the amount shown in the **Schedule** and paid to **Us** not later than 45 days after the **Inception Date** in return for **Our** undertaking to provide benefits.
25. **Professional Services:** any advice or services of a professional nature performed for a fee or equivalent whether charged or not.
26. **Retroactive date:** the date(s) shown in the **Schedule**.
27. **Schedule:** the summary of the key terms of this contract.
28. **Third Party:** any party who is not **You** or **Us**.
29. **Underwriting Manager:** Leppard and Associates (Proprietary) Limited
PO Box 2730, Houghton, 2041, South Africa.
E-mail: pi@leppard.co.za
30. **Value Added Tax:** the tax applicable to goods and services in terms of the Value Added Tax Act, 1991, as amended.
31. **Vehicle:** any land, air, water, hover or space vehicle or trailer or craft 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.
32. **We, Our and Us:** Lombard Insurance Company Limited.
PO Box 1411, Killarney, 2193, South Africa
E-mail: general@lombardins.com
33. **You or Your:** the insured entities named in the **Schedule**.

WHAT IS COVERED

34. **We** agree, unless stated otherwise in this contract including any endorsement and provided **You** have paid the **Premium** to indemnify **You** for **Your** legal liability to pay **Compensation** to a **Third Party** as a result of a **Claim** first made against **You** during the **Contract Period** up to the **Limit** subject to the **Deductible(s)** and to pay for **Costs and Expenses** arising out of **Your Business**.

WHAT IS NOT COVERED

35. **We will not provide an indemnity nor pay for any legal liability or **Costs and Expenses**:**
- 35.1. Companies Act 71,2008: arising out of the duties and responsibilities of any person as defined under Sections 77, 128 or as contemplated under Section 218 of the Companies Act 71, 2008.
 - 35.2. 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.
 - 35.3. Contractual: agreed or assumed by **You** under any contract unless the legal liability would have attached to **You** in the absence of the contract.
 - 35.4. Custody and Control: any premises or property leased hired by or loaned to **You** or in **Your** care custody or control other than:
 - 35.4.1. for the purposes of **Professional Services** any premises and its contents temporarily occupied by **You** and any property temporarily in **Your** possession.
 - 35.4.2. personal clothing and effects.
 - 35.4.3. any premises **You** rent for the purpose of **Your Business** subject to 35.3.
 - 35.4.4. 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**.
 - 35.5. Cyber and Impersonation: arising out of a **Cyber and Impersonation Event**.
 - 35.6. Deliberate Act: if **You** deliberately disregard the need to take reasonable steps to prevent a **Loss**.
 - 35.7. Employee: concerning an **Employee** arising out of
 - 35.7.1. their employment or apprenticeship:
 - 35.7.1.1. outside the Republic of South Africa,
 - 35.7.1.2. within the Republic of South Africa unless as a result of **Injury** not covered by any workers compensation legislation. For the purposes of this clause an **Employee** is a **Third Party**.
 - 35.7.2. the prolonged exposure of the **Employee** to substances, factors or circumstances peculiar to **Your Business**.
 - 35.8. Financial Performance: arising out of the failure of investments to perform unless negligence on **Your** part is proved on or before the date of the failure of the investments, or arising out of any warranty, guarantee or forecast given by **You** as to the potential performance of any investment, or arising out of the insolvency of an insurance or reinsurance company or any financial institution or advice, warranty or guarantee **You** give in relation to the financial solvency of any company or institution.
 - 35.9. Fines and Penalties: for any fines, penalties, punitive or exemplary damages unless they are indemnified as **Compensation**.
 - 35.10. Fraud: if **You** are involved in or party to a fraud committed against **Us**.

- 35.11. FSP Licence: arising from the provision of **Professional Services** not authorised in terms of **Your** Financial Service Provider Licence issued by the Financial Sector Conduct Authority (FSCA).
- 35.12. Infectious Disease directly or indirectly caused by, or in connection with, involving or arising out of an **Infectious Disease** or any actual or perceived threat of an **Infectious Disease**.
- 35.13. Injury and Damage: for **Injury** or **Damage** which does not arise out of **Your Professional Services**.
- 35.14. Insolvency, trading: arising out of **Your** insolvency or trading losses and liabilities.
- 35.15. Mandate: arising out of any **Mandate** which is not signed and dated, sets out the scope of authority and activity and is not in compliance with the **Laws** relating to a **Mandate**.
- 35.16. Other Insurance: for which **You** are entitled to an indemnity under any other insurance or indemnity.
- 35.17. Pollution: due to **Pollution**:
- 35.17.1. if **You** do not take reasonable precautions to prevent **Pollution**,
 - 35.17.2. that damages any building or land **You** own or lease or previously owned or leased,
 - 35.17.3. that is not sudden, unintended and unexpected and
 - 35.17.4. which does not occur at a specific time and place or is not directly as a result of **Your Professional Services**.
- 35.18. Previous Claims: for a **Claim** or **Circumstance** which was or should reasonably have been disclosed to **Us** or a **Third Party** prior to the **Inception Date** or the date **We** agree to incept this contract whichever is the later date.
- 35.19. 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.
- 35.20. Related Companies: in respect of any **Claim** made against **You** by **Your** holding or subsidiary companies or any person or entity having an monetary interest, administrative or managerial influence on **You** unless such **Claim** is as a direct result of **Your Professional Services**.
- 35.21. Retroactive Date: for any **Business** conducted prior to the **Retroactive Date**.
- 35.22. 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.
- 35.23. Transport: arising from the ownership, possession, hire, lease or operation or use of any **Vehicle** or any airport or helicopter pad.
- 35.24. USA and Canada: arising out of any **Business** conducted in or **Claim** brought initially in any country or territory that operates under the laws of the United States of America or Canada.
- 35.25. War, Nuclear, Asbestos: arising directly or indirectly from war, foreign enemy, hostility, civil unrest or terrorism, nuclear fuel, material or waste and asbestos.

SPECIAL CONTRACT CLAUSES

36. Acquisitions: Entities acquired or established by **You** will be indemnified in terms of this contract for 90 days from the date of acquisition or establishment if:
- 36.1. the business conducted by the entity is the same as the **Business**.
 - 36.2. the revenue of any acquired entity did not exceed 15% of **Your** revenue for the 12 months prior to the **Inception Date**.
 - 36.3. The **Retroactive Date** is the date of acquisition or establishment of the entity or if the acquired entity was insured when acquired the **Retroactive Date** applicable under that insurance.
- In order for indemnity to continue beyond the 90 days **You** must:
- 36.4. advise **Us** of the acquisition or establishment of the entity,
 - 36.5. give **Us** all the information about the entity which is likely to materially affect **Our** decision to continue to provide indemnity to the entity and
 - 36.6. accept **Our** terms for indemnifying that entity.
37. Breach of Mandate: Where **You** provide **Professional Services** in terms of a **Mandate** it is agreed that in the event of a breach of the **Mandate** committed by **You** the Insurers are deemed to be **Third Parties**.
38. Infectious Disease: Clause 35.12 will not apply if **You** prove to **Us** that the cause of **Your** liability is due to **Your**:
- 38.1. breach of duty in the provision of **Your Professional Services**
 - 38.2. negligence causing **Third Party Injury** or **Third Party Damage**, which is not related to **Your Professional Services**
- provided **You** have complied with the applicable **Laws** relating to an **Infectious Disease**.
39. Cross Liabilities: If any insured entity incurs a **Loss** caused by another entity insured under this contract the entity suffering the **Loss** will be treated as a **Third Party**.
40. Emergency Medical Expenses: **We** will reimburse reasonable expenses incurred by **You** up to R250,000 plus **Value Added Tax** in addition for the **Contract Period**, for emergency medical treatment to a **Third Party** following an accident occurring during the **Contract Period** causing **Injury** that may result in a **Claim**.
41. Indemnity to Others: Subject to all the terms of this contract **We** will indemnify:
- 41.1. any person who was an **Employee** at the date of the event giving rise to a **Claim**.
 - 41.2. any **Third Party** where **You** have agreed to such indemnity in terms of an agreement for the purpose of the **Business**.
 - 41.3. any **Employee** in their private capacity, at **Your** discretion, arising out of the temporary engagement of another **Employee**,

41.4. any members of **Your** canteen, social, sports, medical, firefighting, security committees and **Your** welfare organisations and visiting sporting teams for the period of and in connection with their visit to **You**.

42. **Third Party Money and Property:** The cover granted under this contract where **We** indemnify **You** for any **Claim** as a result of theft or malicious destruction of money or property belonging to a **Third Party**, for which **You** are responsible, by an **Employee** is subject to the condition that prior to the theft or malicious destruction **You** have adhered to **Your Third Party** money and property protocol (**Protocol**) provided:

42.1. the intention of the theft or malicious destruction was for the **Employee** or a **Third Party** to gain personally and/or financially

42.2. **You** discover the theft or malicious destruction during the **Contract Period** and tell **Us** within 30 days from the date of discovery

42.3. the theft or malicious destruction was committed after the **Retroactive Date** but not more than 12 months prior to the **Inception Date**

42.4. **We** will not be liable to indemnify **You** for new **Claims** as a result of theft or malicious destruction committed by an **Employee** subsequent to **You** discovering the theft or malicious destruction by such **Employee**

42.5. **You** inform the police of **Employees** guilty of the theft or malicious destruction unless **We** and **You** mutually agree otherwise but shall do so immediately if required in terms of any law

42.6. if **We** allege that cover is not granted under this contract for theft or malicious destruction by reason of **You** not adhering to **Your Protocol** the burden of proving the contrary shall rest with **You**.

42.7. For the purposes of this clause:

42.7.1. **Protocol** shall mean a formal policy, communicated by **You** to **Employees** in writing, outlining **Claim** prevention processes which include but are not limited to the processes as described below.

42.7.2. **Claim** prevention processes shall mean:

42.7.2.1. criminal and credit checks are performed on new **Employees** during the **Contract Period** and

42.7.2.2. an enforced **Employee** leave policy is in place with a minimum of five consecutive days in a calendar year and

42.7.2.3. segregation of duties / dual authority with regards to processing, loading, releasing and authorising payments and electronic funds transfers and

42.7.2.4. payee's and/or beneficiaries' details on electronic funds transfers are verified against that of the accountholder and

42.7.2.5. procedures are in place to control the creation of new payees and/or beneficiaries and changes to existing payees and/or beneficiaries. Bank details are confirmed telephonically and a record kept of the confirmation and

42.7.2.6. all bank tokens and bank access are cancelled on termination of employment of an **Employee**.

42.8. Cover limitations:

42.8.1. Where **You** have a **Protocol**:

42.8.1.1. If **You** have adhered to **Your Protocol** to prevent theft or malicious destruction of money or property belonging to a **Third Party** then the **Limit** and **Deductible** apply to the coverage provided herein or

42.8.1.2. If **You** have failed to adhere to **Your Protocol** to prevent theft or malicious destruction of money or property belonging to a **Third Party** then **You** must bear a 50% coinsurance on any **Claim** and **We** will be liable for 50% of the available **Limit** for the **Claim**.

42.8.2. Where **You** do not have a **Protocol** **We** will not provide an indemnity nor pay for any legal liability or **Costs and Expenses** arising out of theft or malicious destruction of money or property belonging to a **Third Party**, for which **You** are responsible, by an **Employee**.

COMPLIANCE

43. **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**.

- 43.1. Notification: **You** must notify the **Underwriting Manager** in writing as soon as;
- 43.1.1. **You** receive a **Claim**.
- 43.1.2. **You** become aware of a **Circumstance**.
- 43.2. Admission: **You** must not admit to any liability for a **Claim** unless **We** agree in writing that **You** may do so.
- 43.3. Assistance and disclosure: **You** must
- 43.3.1. give all reasonable assistance, at **Your** own cost and
- 43.3.2. fully and truthfully disclose information
- to **Us** and **Our** representatives in relation to any notified **Claim** or **Circumstance**.
- 43.4. Material changes: **You** must notify **Us** of material changes to **Your Business** as soon as possible.
- 43.5. **Premium** and **Deductible**: **You** must pay the **Premium** and **Deductible**. **You** must pay the **Premium** in full if **We** accept a notification in terms of clause 43.1.
- 43.6. Statutory requirements: **You** must comply with all laws governing **Your Business**.
- 43.7. Juristic Representative: If **You** provide **Professional Services** as a Juristic Representative of a licenced **Third Party** Financial Service Provider or where any **Third Party** provides **Professional Services** as **Your** Juristic Representative then all the requirements of the FAIS Act of 2002 must be complied with.

CONDITIONS

44. Contract cancellation:

This contract may be cancelled:

- 44.1. by **You** within 14 days after the date **You** receive the contract (or a reasonable date deemed received by **You**) if **You** do not want to accept this contract and **We** will refund the **Premium** within 31 days of **Your** cancellation notice provided **You** notify the **Underwriting Manager** in writing.
- 44.2. any other time by **You** on 31 days written notice to **Us** subject to a return **Premium** calculated at pro-rata provided **You** notify the **Underwriting Manager** in writing and **You** have not made any notification in terms of 43.1.
- 44.3. immediately by the **Underwriting Manager** if **You** act fraudulently or dishonestly in seeking an indemnity or where cancellation is required by law.
- 44.4. automatically from the **Inception Date** if **You** do not pay the **Premium**.

45. Circumstance:

Should a **Claim** arise out of any **Circumstance** **You** notified to and was accepted by the **Underwriting Manager** then this contract will apply to that **Claim**.

46. 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**.

47. Rights of recovery:

We may recover any amount **We** pay in terms of this contract from any **Employee** who commits a dishonest, fraudulent, criminal or malicious act causing **Your** liability and any **Third Party** causing **Your** liability unless 41.2 applies. Any amount recovered will be used firstly to reduce the amounts **We** have paid in terms of this contract and secondly to reimburse **You**.

48. Disputes:

If a dispute arises between **You** and **Us** then either:

- 48.1. it may be referred to **Us** at complaints@lombardins.com or the **Underwriting Manager** at complaints@leppard.co.za or
- 48.2. it may 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
- 48.3. **You** may sue **Us** in which case summons must be served at: 4th Floor, 22 Wellington Road, Parktown 2193, Johannesburg, South Africa.

CONTRACT ENDORSEMENT: LOSS OF DOCUMENTS

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**,
 - 3.3. **You** notify the **Underwriting Manager** in writing as soon as an **Event** occurs.

CONTRACT ENDORSEMENT: STATUTORY DEFENCE COSTS

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 provided **You** notify the **Underwriting Manager** in writing as soon as **You** receive any notice of any criminal prosecution or breach of any statute.

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 employment law or the Companies Act, 2008.
 - 3.3. that amount to less than R20,000 in respect of each prosecution.

CONTRACT ENDORSEMENT: REGULATORY and DISCIPLINARY EXPENSES

1. **Expenses:** legal, specialist, or forensic costs **You** incur with the **Underwriting Manager's** prior written approval for the purposes of **Your** defence or representation in any **Regulatory and Disciplinary Enquiry**.
2. **Regulatory and Disciplinary Enquiry** formal proceeding requiring **Your** attendance in relation to;
 - 2.1. **Your Professional Services** or
 - 2.2. an inquest or fatality inquiry.
3. **We** agree to pay for **Expenses** up to an amount of R250,000 plus **Value Added Tax** in addition.
4. Provided;
 - 4.1. **You** notify the **Underwriting Manager** in writing as soon as **You** receive any notice of any **Regulatory and Disciplinary Enquiry**.
 - 4.2. **You** pay the first R20,000 of **Expenses**.
5. **We** will not pay for any fines or penalties including as contemplated under the Protection of Personal Information Act of 2013 or the Consumer Protection Act of 2008.

CONTRACT ENDORSEMENT: PUBLIC LIABILITY

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. for the purposes of this endorsement clause 35.13 is deleted,
 - 2.3. the **Limit** is R10,000,000 for **Any One Claim**.
 - 2.4. the **Deductible** is R10,000.
 - 2.5. **You** notify the **Underwriting Manager** in writing as soon as **You** receive a **Claim** or **You** become aware of a **Circumstance**.

CONTRACT ENDORSEMENT: CYBER AND IMPERSONATION

Cyber Loss: **Your** legal liability for a **Claim** first made against **You** during the **Contract Period** and **Costs and Expenses** as a result of a **Cyber and Impersonation Event**.

We will indemnify **You** up to R2,500,000 for the **Contract Period** subject to a **Deductible** of R100,000 for a **Cyber Loss** provided;

1. the **Cyber and Impersonation Event** was committed;
 - 1.1. after the **Retroactive Date** or up to 12 months prior to the **Inception Date**, whichever is the later date.
 - 1.2. for the purposes of;
 - 1.2.1. the theft, loss, destruction or misappropriation of **Third Party**;
 - 1.2.1.1. money or property,
 - 1.2.1.2. personal information including intellectual property,
 - 1.2.1.3. record, document or data.
 - 1.2.2. providing false, falsified or otherwise tainted instructions that causes **You** to fulfill the instructions to the fraudulent benefit of a **Third Party**.
 - 1.2.3. taking control of **Your Computer, Data, Electronic Systems**, electronic mail or digital information data base and holding **You** to the payment of a ransom in lieu of the release of such control.

2. **You** prove to **Us** that **You** have and adhered to the minimum **Risk Management Protocol** as defined below.

In the event **You** have not adhered to the **Risk Management Protocol** **We** will only indemnify **You** for 50% of the **Cyber Loss** or the **Limit**, whichever is less.

Risk Management Protocol a written formal policy, communicated by **You** to all **Your Employees** that sets out **Your** risk mitigation processes that match or exceed the following actions;

- 2.1. establishing the identity, authenticity and authority of any person sending **You** instructions,
 - 2.2. confirming that the banking detail to which funds are transferred are authentic and belong to the receiving party,
 - 2.3. ensuring an absolute non-acceptance of telephonic instructions to alter banking, personal, email, telephone or similar detail,
 - 2.4. verifying that any email instructions match and are identical to the applicable records **You** hold,
 - 2.5. protecting **Your Computer, Data, Electronic Systems** with;
 - 2.5.1. up to date security and security patches,
 - 2.5.2. data backup protocols in separate secure locations,
 - 2.5.3. authentication processes to allow only trusted connections,
 - 2.5.4. external firewalls to prevent external access,
 - 2.5.5. a password and access policy to maintain security and prevent unauthorised access.
3. for the purposes of this contract endorsement exclusion 35.5 is deleted.

