

**As a short-term insurance policyholder, or prospective policyholder, you have the right to the following information: -**

Whilst we make every effort to ensure you fully understand the insurance product, we have supplied there are certain facts we are obliged in terms of legislation to ensure that you not only know about, but understand. The most notable being the Financial Advisory and Intermediary Services Act (FAIS) and in the case of clients purchasing policies in their personal capacity, the Policy Holder Protection Rules.

The most important objective of these obligations is to ensure You, our client, have full knowledge about the organisations involved in delivering the service to You as well as full understanding of the product You have purchased. Whilst every effort has been made to ensure we have achieved this objective, if at any time You feel we have not provided You with the information required or You do not understand the information we have given you, please ask us – do not assume! Whilst this information is important it does not form part of Your actual policy wording.

So what is it that we need to tell you? Let us start by explaining some of the terminology you may have heard about or may encounter in Your dealings with us:

**Financial Service Provider:** This is generally us, Your Insurance Broker, sometimes referred to as an Intermediary.

#### **Underwriting Manager / Administrator:**

They are appointed either by a Product Provider (Insurer) or the broker to manage a specific type of product on their behalf. This is due to the specialist knowledge of the staff of Underwriting Managers and their ability to deliver a very focussed and cost-effective service to ourselves as insurance brokers and ultimately You the Client.

**Product Provider / Supplier:** This is Your insurer.

Each of the above may well have companies that are associated with them with whom we have a relationship. These could be subsidiary or holding companies or certain natural persons such as spouse, children, parent. Where these relationships exist, you need to be made aware of them.

#### **Financial Advisory and Intermediary Services Act (FAIS):**

This piece of legislation was introduced to ensure there are minimum standards set within the Financial Services sector, to ensure You the client receive the highest possible level of service and protection. It governs, amongst other things, the following:

1. The financial stability of the Financial Service Provider;
2. The Honesty and Integrity of the Financial Service Provider;
3. The ability of the Financial Service Provider to look after the client;
4. The formal qualifications required by the key staff of any Financial Service Providers who give You advice;
5. The methods and technical content of the advice given to You;
6. The need for each Financial Service Provider to be licensed before they can give You advice;
7. Standards for dealing with any complaint that You may have;
8. Penalties for breaches of any of the regulations required in terms of the Act; these include fines, imprisonment and loss of the ability to carry on business; and
9. The need for us to have a Compliance Officer to assist us with meeting all our obligations in terms of the Act.

#### **Policy Holder Protection Rules:**

These require some additional duties to be adhered to by Insurers in respect of clients purchasing personal insurances. Where applicable to You these will be pointed out in this document.

#### **Ombudsman:**

The independent body created to further protect the client and deal with any disputes between insurers and clients. There are currently two such Ombud's:

- The Short-Term Insurance Ombud deals with disputes on personal insurance matters e.g. Your personal motor or household insurances;
- The FAIS Ombud deals with all disputes for all types of clients that arise out of the provision of advice as dealt with by the FAIS Act.

#### **Financial Services Board:**

The body that administers the FAIS Act and other legislation relevant to insurance.

#### **Details about US your financial Services Provider (FSP) Intermediary / Broker:**

##### **Company Name:**

Les Michaelis Insurance Consultants CC  
Registered Address:  
1<sup>st</sup> Floor, 30 Lucas Lane-Bedfordview 2007  
Telephone Number: (011) 450-1924/1956  
Fax Number: (011) 450-2004  
E-mail Address: admin@lesmichaelis.co.za

Our Licence to transact business as a Financial Services Provider:

**Licence Number:** 26690

**Categories of Licence:** Advice and Intermediary services in respect of: Short Term Insurance – Personal Lines & Commercial Lines.

##### **Mandate:**

We have written mandates to represent various insurers and underwriting managers and will only present terms to you where we have such an agreement.

##### **Additional authorities provided by insurers;**

**We have an additional written agreement, referred to an Outsource agreement, with the insurers listed below to conduct the following services on their behalf;**

- i) capture all personal lines/commercial lines policy data on insurers system to allow the issuing of a policy document for clients;
- ii) capture all amendments to personal lines / commercial lines policy data on insurers system to allow an updated schedule to be issued to the client;
- iii) capture all data on insurers system to allow a renewal invitation to be issued to a client;
- iv) maintain all policy holder records.

##### **Insurance Zone (Hollard) CIB (Guardrisk)**

##### **How do we get paid for what we do:**

In terms of our standard agency agreement, we receive a commission from the Insurer with whom we place your insurances. This commission allows us to provide the following services to you.

- i) Selling and renewing policies;
- ii) Maintaining and servicing policies;
- iii) Collecting or accounting for premiums;
- iv) Receiving, submitting or processing claims

The level of these commissions varies depending upon product type and range from 10% for SASRIA, 12,5% for Motor and 20% for all others.

In terms of our Outsource agreement/s we receive a fee from the Insurer/s concerned as follows;

CIB (Guardrisk) 5.948% of the gross premium of your policy

Where we provide services to you in addition to the services for which we already receive a fee from insurers as detailed above we are required to disclose these services to you and receive your written consent to the payment of these fees. Such fees can be stopped by you at any time upon your written instruction. This will however compromise the additional services we provide.

##### **Our insurances in place that provide protection to our clients:**

##### **Professional Indemnity:**

Insurer: AC& E PI & Liability Underwriting Managers  
Limit: R10 Million

##### **Our Compliance Officer:**

**Company:** Omega Compliance Solutions (PTY Ltd)  
**Contact details:** Tel: (011) 568-5454  
**Fax:** (011) 475-0096  
**E-mail:** [info@omegacs.co.za](mailto:info@omegacs.co.za)  
**Practice Number:** 7375

To be the one who provides the reason for any claim that is repudiated;  
To ensure that they write to You should they wish to cancel Your policy and to give You at least 30 days notice of their intention to do so.

##### **If You are paying Your premiums by debit order:**

The debit order may only be in favour of one person / entity;

It may not be transferred without Your approval;  
You are entitled to 30 days notice of cancellation of the debit order.

##### **If You are for personal insurances:**

You are entitled to a period of 15 days grace in which to pay the premium (other than in the first month of insurance).

##### **If You are paying Your premiums in anyway other than monthly:**

You are only entitled to a 15-day grace period if the insurances are in respect of Your personal insurances, otherwise, all premiums must be paid at inception or renewal date for the policy to be in force.

##### **If You have a claim or are involved in an incident that could lead to a claim:**

You must advise us immediately, preferably in writing. Your policy will contain conditions that relate to the early reporting of potential claims and it is important that You do not breach this responsibility.

##### **If any of the information You gave us changes:**

You must advise us immediately-policy cover, premiums and terms are based on what You told the insurer, we need to advise them of any changes that could affect their view of You and Your policy.

##### **Information Sharing:**

In accepting this document, I declare that, I acknowledge that the sharing of insurance information for underwriting and claims purposes (including credit information) between Insurers is in the public interest as it enables

Insurers to underwrite policies and assess risks fairly and to reduce the incidence of fraudulent claims with a view to limiting premiums.

On my own behalf and on behalf of any person I represent herein, I hereby waive my right to privacy with regard to underwriting or claims information (including credit information) that I provide or that is provided by another person on my behalf in respect of any insurance policy or claim made or lodged by me.

I acknowledge that the insurance information provided by me, may be stored in a shared database and used as set out above as well as for any decision pertaining to the continuance of my policy or the meeting of any claim I may submit.

I consent to such information being disclosed to any other Insurance Company or its agent.

I acknowledge that the information may be verified against legally recognised sources or databases.

**Other Matters of Importance:**

General:

- (a) You must be informed of any material changes to the information provided above.
- (b) If the information above was given to you verbally, it must be confirmed to you in writing within 30 days.
- (c) Polygraph or any lie detector test is not obligatory in the event of a claim and the failure thereof may not be the sole reason for repudiating the claim.
- (d) The Insurer (Underwriting Manager) and not the Intermediary must give reasons for repudiating your claim.
- (e) The Insurer may not cancel your insurance merely by informing your intermediary. There is an obligation to make sure the notice has been sent to you.
- (f) You are entitled to a copy of the policy free of charge.

WARNING:

- (a) Do not sign any blank or partially completed application form.
- (b) Complete all forms in ink.
- (c) Keep all documents handed to you.

**“Data Protection:**

The Company's goal is to ensure that our strategic partners', clients and third-party services providers' personal information is only used and accessed for the purposes of providing financial services (i.e. underwriting and claims) and ensuring that adequate security measures are in place to protect this personal information from unauthorised access and use throughout our value chain.

As the privacy of our clients' personal information is of utmost importance, we take our responsibility to protect the security and confidentiality of the personal information we collect very seriously.

For a more detailed explanation, please read our official Privacy Statement on our website"