

DISCLOSURE AND TERMS OF BUSINESS DOCUMENT

IMPORTANT INFORMATION FOR ALL OUR CLIENTS

INTRODUCTION

The Financial Sector Conduct Authority regulates the South African financial services industry primarily using the Financial Advisory and Intermediary Services Act No 37 of 2002 ('the FAIS Act'). It requires us, at SATIB Insurance Brokers (Pty) Ltd (hereinafter referred to as 'SATIB'), to protect consumers, to enhance the integrity of the financial services industry and to disclose certain information to existing as well as prospective clients. This 'Disclosure and Terms of Business Document' supports our commitment to a full disclosure of all relevant and material information appropriate to your insurance requirements, enabling you to make well-informed decisions during the course of our professional relationship with you.

OUR DETAILS (YOUR INTERMEDIARY)

THE INTERMEDIARY

This company acts as an intermediary between the Product Supplier (Insurer) and you; represents you in your dealings with the Product Supplier (Insurer) and provides you with advice where applicable.

Business Name: SATIB Insurance Brokers (Pty) Ltd
Registration number: 1996/017839/07
FSP License number: 16388
SATIB is part of the First Equity Group of companies

Head Office - Durban

Physical Address: 10 Rydall Vale Park, Douglas Saunders Drive, La Lucia Ridge, Durban, 4320
Postal Address: P O Box 250, Umhlanga Rocks, 4320
Telephone number: 0861 728 4248
Fax number: 031 862 1886
E-mail address: dcillie@satib.co.za
Website: www.satib.co.za

Please refer to our website for contact details of all our Branch Offices.

LICENSE INFORMATION

The Financial Sector Conduct Authority has approved SATIB as a licensed Category 1 Financial Services Provider. Our Key Individuals and/or Representatives are therefore able to provide advice and/or intermediary services in respect of the following categories of financial services:

- Short Term Insurance: Personal Lines
- Short Term Insurance: Personal Lines A1
- Short Term Insurance: Commercial Lines

KEY INDIVIDUALS

Mr. Anthony Courtenay and Mrs. Carla Gillham are registered as SATIB's Key Individuals.

SHAREHOLDING

SATIB does not hold shares or an equivalent substantial financial interest in any Product Supplier. There is joint shareholding between SATIB and other FSP's in the firstEquity Group.

OUR PROFESSIONAL MEMBERSHIP

SATIB is a proud member of the Financial Intermediaries Association of South Africa.

MANDATES FROM PRODUCT SUPPLIERS

We have written mandates to act as an intermediary for various product suppliers and will only present terms to you where we have such a mandate.

We have written agreements, referred to as Outsource agreements, with certain product suppliers to conduct all/some of the following services on their behalf:

- Capture policy data on our system to allow the issuing of a policy document for clients
- Capture amendments to policy data on our system to allow an updated schedule to be issued to the client
- Capture all data on our system to allow a renewal invitation to be issued to a client
- Maintain all policyholder records

We have additional written agreements, referred to as Binder agreements, with certain product suppliers to conduct all/some of the following services on their behalf:

- Enter into, vary, or renew a policy
- Determine the premium under a policy
- Determine the value of policy benefits
- Settle valid claims

The details of the necessary arrangements with the Product Provider will be outlined in your policy documentation.

OUR SERVICES

We are licensed to provide advice and intermediary services on Short Term Insurance products.

As the risks you face may vary in size and complexity, we will serve you in the way best suited for your needs. The services listed below are a general list of functions performed and may differ dependent on the nature and complexity of your risk profile and insurance needs.

Advice and Intermediary Services

We perform the following advice and intermediary services, for which we are remunerated by means of statutory commission:

<u>CLASSIFICATION OF SERVICE</u>	<u>TYPICALLY INCLUDED IN SERVICE OFFERING</u>
Advice & Intermediary Services (New Business)	Collection of client information and analysis of risk profile Provide guidance on risk transfer Development of proposal Insurer negotiations Provide quotations Product comparison and recommendation Policy activation or implementation Policy information i.e. Disclosure documents, policy wording and policy schedule
Advice & Intermediary Services (Renewals)	Update information & analyse changes in risk profile Provide guidance on risk transfer in the event of changes in risk profile Insurer negotiations Provide renewal terms & renewal recommendation Policy activation or implementation Policy information i.e. Disclosure documents, policy wording and policy schedule
Ongoing Advice & Intermediary Services	Ongoing policy support services Respond to instructions on policy i.e. policy amendments Facilitate communication with Insurer

	Policy-based valued-added services (e.g. declarations, implement risk control measures) Claims intermediation (i.e. receive claim instruction, assistance to clients, monitor progress, assistance to client to ensure fairness of the claims outcome)
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Additional professional Services

Where we provide you with additional professional services not included in the advice and intermediary services described above, these will be outlined and agreed separately and a Broker fee (also known as a professional fee) will be charged.

HOW WE GET PAID FOR WHAT WE DO

Intermediaries are remunerated by way of statutory commission in terms of the Short Term Insurance Act No 53 of 1988 or by fees agreed for specific services rendered. The source and the quantum of the remuneration will depend on the circumstances of each transaction and will be disclosed in the proposal/s made to you and in the policy documentation, together with premiums payable, the due date of payment and the frequency of payment. All local premiums are inclusive of Value Added Tax at the prescribed rate.

In terms of Outsource and/or Binder agreements/s mentioned above, we receive a separate fee from the Insurer/s concerned which is a percentage of the gross premium.

Where we provide services to you in addition to the services for which we already receive commission or fees from the Product Suppliers we are obliged to disclose these services to you and receive your written consent to the payment of additional fees. Such fees can be stopped by you at any time upon your written instructions however this will compromise the additional services we provide.

We are obliged to disclose remuneration received from any particular Product Supplier where the total remuneration exceeds 30% during the preceding 12 month period. This may change from year to year, however we can confirm that during this past 12 months, SATIB has received more than 30% of its total remuneration, in the form of commission and fees, from Lloyds of London South Africa.

OUR INSURANCES IN PLACE

We confirm that SATIB has professional indemnity and fidelity guarantee cover in place. These covers are renewed annually and we will notify you if, at any stage, we are unable to obtain such insurances. SATIB is not required to hold Intermediaries Guarantee insurance because premium collection is facilitated by a premium collection agency.

In the event that you may suffer any loss or damage arising out of or in any way related to our performance or non-performance of the services to be rendered to you in terms of this agreement, whether arising out of negligence or any other cause, our liability shall be limited to a maximum amount of R5 million (FIVE MILLION RAND). We shall not, under any circumstances, be liable to you for any indirect, consequential or economic loss nor for any punitive damages. You may, in writing, request that the maximum amount of our liability be increased to an amount in excess of the R5 million limitation aforementioned, however, in such circumstances, we will charge you a commensurate premium cost for the increased limit of indemnity.

OUR COMPLIANCE OFFICER

Name: Crux Consulting Compliance Practitioners
 Practice number: 3045
 Contact persons: Justin Joannides
 Telephone number: 011 234 4991
 Fax number: 086 504 0010
 E-mail: Justin@cruxconsulting.co.za

COMPLAINTS

In the event that you are dissatisfied with any aspect of the advice or intermediary service provided by a Representative of SATIB, your first course of action will be to contact the following person in writing with full details of the problem you have encountered:

Name: Saskia Stemmett
Head – Compliance and Legal
Address: Suite 8, Tokai Village, Vans Road, Tokai
E-mail address: saskias@firstequity.co.za

If your complaint cannot be resolved internally then you are entitled to refer the complaint to the FAIS Ombudsman whose offices have been established to provide clients with a redress mechanism for any inappropriate financial advice or intermediary services that may have been given. The details of the FAIS Ombud's office can be found towards the end of this document.

If you have a complaint against the Product Supplier for matters relating to your policy itself such as claims issues, please refer to the Insurer as per the details outlined in the policy documentation. If the Insurer does not resolve your complaint then you can refer this to the Short-Term Insurance Ombud (OSTI), details of which can be found at the end of this document

CONFLICTS OF INTEREST

The General Code of Conduct for the FAIS Act broadly covers conflict of interest and requires that intermediaries disclose to their clients the existence of actual or potential conflicts of interest. This means any situation in which an intermediary or representative has an interest that may influence the objective performance of his obligations to his client or may prevent an intermediary from rendering an unbiased financial service.

SATIB has adopted and implemented a Conflict of Interest Management Policy to ensure that we comply with the act and we confirm that, in the event that there is a potential conflict of interest in respect of the service rendered or the advice provided, the interest of our client will be accorded priority over our own interests.

A full copy of our Conflict of Interest Management Policy can be obtained from our offices upon written request to saskias@firstequity.co.za.

Staff Incentives:

We confirm that none of our staff are incentivised to give preference to any specific product supplier or product and where incentives based on volumes are in place, these are supported by an assessment of the quality of business sold and procedures followed.

Gifts and donations:

It is a generally accepted practice within our industry that gifts, entertainment and donations are provided by Product Suppliers to Intermediaries and vice versa. The rand value is limited per calendar year to R1 000.00 per product supplier per representative and such limitations are dealt with and managed by our Conflict of Interest Management Policy.

YOUR PRODUCT SUPPLIER

Your Product Supplier is the insurance company that receives your premiums; underwrites your risk; and is liable for valid claims incurred in terms of your policy.

It is our policy to place your business only with reputable and creditworthy Product Suppliers. We cannot accept responsibility for, nor guarantee, the future solvency of these Product Suppliers or their ability to pay claims. If you require us to place all or part of your insurance cover with a Product Supplier that is not approved by us, we will require your written authorisation to do so.

If you require particular information about any of the Product Suppliers or have specific instructions in this regard, please discuss this with us. Alternatively, within 30 days of the inception of the policy, the selected Product Supplier (via the intermediary) will confirm the following details in writing. They usually do so in the form on an 'Insurer Disclosure Notice'.

- Full name and address of the product supplier and details of appropriate contact people
- The legal and contractual status of the product supplier
- Restrictions imposed by the product supplier on the services an intermediary may provide
- Type of product involved
- Whether the provider holds guarantees, Professional indemnity, fidelity insurance cover or not
- Extent of premium obligations
- Procedure for registering a claim
- Details of any contractual relationship with other suppliers
- Compliance departments contact details
- Complaints departments contact details
- SASRIA details (if applicable)

PAYMENT OF PREMIUM

PREMIUM COLLECTION OTHER THAN BY THE PRODUCT SUPPLIER (INSURER)

SATIB does not collect or hold premiums. The mandate to collect premiums in respect of personal and/or commercial insurances via debit order is provided directly to a premium collection agency by the insurer concerned. This demands that they be correctly licensed to do so. Their details are as follows:

Company Name: Qsure (Pty) Ltd
Address: IOM House, 6 St Giles Street, Randburg, 2194
Telephone number: 011 449 6800
E-mail address: grantd@qsure.co.za
FSP number: 50552
Compliance Officer: Mr. Alan Holton – Compliance Monitoring Systems CC
alan@cmsys.co.za
Tel: 082 413 6565

All relevant PI and FG covers are in place.

PREMIUM OBLIGATIONS AND CONSEQUENCES OF NON-PAYMENT OF PREMIUM

Although QSure is authorised to collect and accept premium payment on behalf of certain Product Suppliers, they are not responsible for ensuring that the premium is paid by you on or before the due date. That responsibility remains yours alone. Once they have received the premium, they are responsible for ensuring that it is paid to the appropriate Product Suppliers.

The client is responsible for payment of premium to the Insurer and/or fees to the intermediary as directed or on receipt of an invoice. Where settlement is required, other than on presentation of an invoice, SATIB will advise you accordingly. Payment must be made on or before the due date reflected in the policy documentation in order to avoid the cancellation of the policy.

IMPORTANT INFORMATION YOU SHOULD KNOW

NAMES, CLASS AND TYPE OF POLICY

Full details regarding the name, class and type of policy you have will be reflected on your policy document, which should always be read in conjunction with the policy wording. If, at any time, you require an explanation of the terms, conditions, provisions, premiums or any other policy information, please contact our offices and we will be happy to assist.

FIRST AMOUNTS PAYABLE (ALSO KNOWN AS EXCESSES OR DEDUCTIBLES)

There is usually a policy or section amount (an excess) that you will be required to pay in the event of a claim. It is imperative that you understand the excess structure and how Product Suppliers will apply each type of excess when it comes to a loss. These are detailed in your policy document and your policy wording and we remind you to please ask us for clarity or assistance with any queries you have in this regard.

DETAILS ON HOW TO INSTITUTE A CLAIM

Claims, losses or circumstances which might give rise to a claim should be notified to us as soon as possible and certainly within the time limit specified on your policy. Any notification should include all the material facts. The procedures are important and vary according to the type of loss so please ask us to clarify the correct claims procedure at the time of reporting the claim to us. Please refer to your policy wording for the full procedures for the submission of claims. Generally, you will be required:

- To take all reasonable steps to prevent further loss or damage and
- To report any vehicle accident, any theft of property or any malicious damage to the police within 24 hours. In the case of any vehicle accident where there are injuries, you must notify the police immediately.

Thereafter you will be expected to provide your product supplier with:

- Written details of the loss and all material facts pertaining to the loss
- Proof in support of any claim
- Details of other insurance covering the same property and event
- Documents or details of any communication in connection with the claim

You must make no admission or statement of liability or make any offer to any third party.

OTHER MATTERS OF IMPORTANCE

- You must be informed of any material changes to the information provided in this document.
- A polygraph or 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.
- The Product Supplier must give reasons in writing for the rejection of any claim submitted by you
- The Product Supplier must give you written notice of its intention to cancel your policy
- You are entitled to a copy of your policy free of charge
- If you are paying by debit order, this may not be transferred without your approval and you are entitled to 30 days' notice of cancellation of the debit order.
- If any information that you gave us changes then you must advise us immediately as this could affect the way that your product supplier views you and your policy.
- Your personal information will be processed in a lawful manner and your consent will be required, where applicable, before processing any of your personal information.
- With regards to your personal information, you have the right to access any of your personal information held by the broker or insurer to rectify any inaccuracies, object to the processing of your personal information and lodge complaints in this regard with the broker, insurer or the information regulator.
- You have the right to request recordings of any disclosures provided telephonically.
- Review your cover periodically to ensure it is appropriate for your needs.

IMPORTANT CONTACT NUMBERS

- Short Term Insurance Ombudsman (OSTI)
Postal Address: P O Box 32334, Braamfontein, 2017
Telephone number: 011 726 8900
Fax number: 011 726 5501
E-mail: info@osti.co.za
Website: www.osti.co.za

- **FAIS Ombudsman**
Address: Kasteel Office Park, Orange Building, 2nd Floor, Cnr Nosob & Jochemus Str
Telephone number: 012 470 9080
Fax number: 012 348 3447
E-mail: info@faisombud.co.za
Website: www.faisombud.co.za
- **Financial Sector Conduct Authority**
Address: Riverwalk Office Park, Block B, 41 Matroosberg Road
Ashlea Gardens, Extension 6, Menlo Park, Pretoria, 0081
Telephone number: 0800 20 37 22
Fax number: 012 346 6941
E-mail: info@fsca.co.za
Website: www.fsca.co.za