

LEGAL DISCLOSURES MADE IN TERMS OF THE FINANCIAL ADVISORY AND INTERMEDIARY SERVICES (FAIS) Act, No. 37 OF 2002
IMPORTANT – PLEASE READ CAREFULLY - FAIS DISCLOSURE AND OTHER LEGAL REQUIREMENTS
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 do not hesitate to contact us in this regard. Whilst this information is important it does not form part of Your actual policy wording.

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. We are an authorized Financial Services Provider. We conduct business as a non-mandated intermediary.
FSP License Number: 1422

Binder Holder:
They act as an agent of the Product Provider (Insurer) to manage a specific type of product on their behalf. This is due to specialist knowledge of the staff of the binder holder and their ability to deliver a very focused and cost effective service to the broker and ultimately to the client. They are also licensed Financial Service Providers

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, receives 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:

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

Registrar:

The body that ultimately deals with a specific category of insurance e.g. Short Term or Long Term

1. Details about us, your authorised Financial Services Provider (FSP) Intermediary / Broker:

Company Name: REAM Insurance Brokers (Pty) Ltd
Registration Number: 2001/023867/07
Registered Address: 95 Monument Road, Kempton Park, 1619

Postal Address: Po Box 11975, Aston Manor, 1630

Telephone Number: (011) 394 8235

Fax Number: (011) 394 8917

E-mail Address: info@tuffstuff.co.za

Website: www.reambrokers.co.za

Financial Services Provider Licence Number: 1422

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

We have a written agreement, referred to as a Binder agreement, with the insurers listed below to conduct the following services on their behalf;

- i) enter into, vary or renew a policy;
- ii) determine the policy wording/s;
- iii) determine the premium under a policy;
- iv) determine the value of policy benefits;
- v) settle claims under a policy

Western National Insurance Company Limited (South Africa) FSP: 9465

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

The level of these commissions vary depending upon product type and range from 11% for SASRIA, 12,5% for Motor and 20% for some others.

In terms of our Binder agreement/s we receive a fee from the Insurer/s concerned as follows-
10.5% 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: Etana Insurance Company Limited
Limit: R10 000 000.00

Fidelity Guarantee:

Not required

IGF Guarantee:

Not Required

Our Compliance Officer:

Company: Associated Compliance (Pty) Ltd

Registration number: 2012/087007/07

Practise Number: 6377

Contact details:

Tel: (011) 678 2533

Fax: (011) 678 7731

E-mail: info@associatedcompliance.co.za

Website: www.associatedcompliance.co.za

Premium collection other than by the insurer or their underwriting manager, or ourselves:

N/A- Premium Collection is done by the Insurers

2. The Insurer:

Name, physical address, postal address and telephone number:

Company: Western National Insurance Company Limited, a juristic representative of Western Administration Services, FSP 9465

Short Term Insurance Licence No: 118/001

Registration Number: 2005/017349/06

Physical address: Unit 209; The Cliffs; 3 Niagara Road;

Tyger Waterfront; Belville; 7530

Postal Address: PO Box 5881, Tygervally, 536

Telephone: 0861 937628

Fax: (021) 914 0293

E-mail Address: info@westnat.co.za

Website: www.westnat.com

Telephone number of the compliance department of the Insurer:

Compliance Officer: Moonstone Compliance (Pty) Ltd

Telephone: 021 883 8000

Charmaine Terblanche- 083 280 3756

Conflict of interest: A full copy of the Insurers Conflict of Interest Management Policy can be downloaded from www.westnat.com

3. How to Institute a complaint:

If You have a complaint about our service, staff or products sold to you please contact the following person in writing with full details of the problem You have encountered.

Name: Raymond du Plessis

Address: Po Box 11975, Aston Manor, 1630

E-mail: raymond@tuffstuff.co.za

Particulars of the Short-term Insurance and the FAIS Ombudsman who are available to advise you in the event of claim problems that are not satisfactorily resolved by the Intermediary and/or Insurer:

Particulars of the Short-term Ombudsman:

Short-term Insurance Ombudsman

P.O. Box 32334, Braamfontein, 2017.

Tel: (011) 726-8900; Fax: (011) 726-5501

Particulars of the FAIS Ombudsman:

FAIS Ombudsman

P.O. Box 74571, Lynwoodridge, 0040.

Tel: (012) 470-9080; Fax: (012) 348-3447; E-mail:

reception@faisombud.co.za

Particulars of the Registrar of Insurance:

Financial Services Board
 PO BOX 35655
 Menlo Park
 102
 TEL: (012) 428 8000
 FAX: (012) 347 0221

SASRIA:

If SASRIA (Riot) Insurance has been taken out by You or is included in the policy automatically, You need to know the following information about SASRIA:

Insurer: SASRIA LIMITED
 Registration Number: 1979/000287/06
 Postal Address: P.O. Box 7380, Johannesburg, 2000.
 Physical Address: 47 Wierda Road West, Wierda Valley, Sandton, 2196. Tel: (011) 881 1300
 Fax: (011) 783 0781
 E-mail Address: info@sasria.co.za
 Website: www.sasria.co.za

Compliance Officer: Nomsa Wabanie
 E-mail: nomsaw@sasria.co.za

Claims notification Procedures:
 In order to claim, submit all relevant claim documentation to Western National Insurance Company Limited via any of the details provided in 1. or 2. above.

Complaints Procedure: Submit complaint in writing to The Executive Manager: Business Operations Department, Sasria Limited, P.O. Box 7380, Johannesburg, 2000.
 E-mail Address: complaints@sasria.co.za

Important Additional Information for all our Clients:

Distribution Channel:
 These are arrangements with any of the above or combination of these that provides support or services to us in our role of providing a financial service to you.

Any other person:
 If there are any other persons that provide us with a financial interest as part of the delivery of the financial service.

Conflict of Interest
 We make every effort to ensure that at all times we act in your best interests and in no way allow our own interests, potential or actual, to influence our objective performance and the delivery of unbiased and fair financial service to you. In furtherance of this objective, we want to ensure you fully understand the various interests we have, be they Ownership, Financial or Relationships with Third Parties. There are a number of entities with whom we can have a relationship of this nature and a summary of these is provided below.

What represents an Ownership or financial Interest?

Ownership: Actual equity that was paid for.
 Financial: Cash, or its equivalent, vouchers, gift service, advantage, benefit, discount domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration.

Any combination of these relationships and/or ownership or financial interests may present a potential conflict and as such we need to ensure you are aware of these. We also confirm that no staff are incentivized to give preference to any specific insurer and/or product and where incentives based on volumes of business are in place, these are supported by an assessment of the quality of the business sold and procedures followed.

Do we have a shareholding in any Insurer and/or cell captive arrangement? **No**

Do we receive more than 30% of our income from this insurer or cell captive? **No**

Do we have a relationship with any product provider/supplier that provides a Financial Interest other than Ownership? **No**

Do we have a relationship with any other FSP that provides an Ownership or Financial Interest? **No**

Do we have a relationship with any other Distribution Channel that provides an Ownership, Financial Interest or Support Service? **No**

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

Immaterial Financial Interest:
 It is generally accepted practice within our Industry that "entertainment" and "gifts and incentives" collectively referred to as an immaterial financial interest in the Conflict of Interest regulations, are on occasion provided by the Product Provider to the Financial Services Provider (broker) and vice versa and potentially from and to other financial service providers. The Rand value of such interests are limited, by legislation, per calendar year, to R1,000 in respect of anyone individual be they the provider of or beneficiary of such immaterial financial interest. Such limitations are dealt with and managed by our management policy.

A full copy of our overall Conflict of Interest Management Policy can be obtained from: raymond@tuffstuff.co.za

4. What else should you know?

We undertake:-
 To keep all information You tell us about Yourself confidential;
 Not to alter any documents You provide us with when submitting to any insurer. Where we feel an error has been made we will advise You prior to submission;
 To never ask You to sign blank documents – wherever possible all documents, be they proposals or claim forms should be completed by You to ensure full detail;
 Never to take away any rights You have in terms of any legislation that governs the way we transact business;
 To supply a copy of any documents used in the preparation of Your insurances, when required, free of charge.

We further undertake to ensure that all staff delivering a financial service to or on behalf of the Financial Service Provider are all authorised representatives and meet the required Fit and Proper standards and that we check these at least on an annual basis.

Your Insurer, via the binder holder, undertakes:
 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:
- You must be informed of any material changes to the information provided above.
 - If the information above was given to you verbally, it must be confirmed to you in writing within 30 days.
 - 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.
 - The Insurer (Binder Holder) and not the Intermediary must give reasons for repudiating your claim.
 - 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.
 - You are entitled to a copy of your policy free of charge.

WARNING:

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