**DISCLOSURE NOTICE TO SHORT-TERM INSURANCE POLICYHOLDERS**

**IMPORTANT INFORMATION - PLEASE READ CAREFULLY**

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 Policyholder 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 fully understanding 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.

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 generally appointed by a Product Provider (Insurer) to manage a specific type of product on their behalf. This is due to the specialist knowledge of their staff and their ability to deliver a very focussed and cost effective service to the insurer 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, or parent. Where these relationships exist, you need to be made aware of them.

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

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

1) The financial stability of the Financial Services Provider.
2) The honesty, integrity and good standing of the Financial Services Provider.
3) The ability of the Financial Services Provider to look after the client.
4) The level of qualifications required by the representatives of any Financial Services Provider who give you advice.
5) The methods and technical content of the advice given to you.
6) The need for such Financial Services Provider to be licensed before they can give you advice or perform an intermediary service.
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.
9) The need for a Compliance Officer to be appointed, to ensure the Financial Services Provider meets all their obligations in terms of the Act.

**Policyholder Protection Rules**
These require some additional duties to be adhered to by Product Suppliers in respect of clients purchasing personal insurance. Where applicable to you these will be pointed out.

## 1. DETAILS ABOUT US, YOUR FINANCIAL SERVICES PROVIDER (FSP), INTERMEDIARY / BROKER:

| | |
|---|---|
| **Company Name:** | ADirect Financial CC |
| **Registration Number:** | 2008/216230/23 |
| **Registered Address:** | 5 Flamingo Villas, Three Rivers East, Vereeniging, 1929 |
| **Postal Address:** | Same as above |
| **Telephone Number:** | +27 83 304 2681 |
| **E-mail Address:** | hendrikus@adirect.co.za |

Our Licence to transact business as a Financial Services Provider:

**Licence Number:** **55432**

**Categories of Licence:** Advice and Intermediary Services in respect of:
Short-Term Insurance: Personal Lines & Commercial Lines

We hold the required Professional Indemnity Insurance in place which provides protection to our clients.
Fidelity Guarantee: We are not required to hold these guarantees.

**Our Compliance Officer:**
Associated Compliance (Pty) Ltd
Practice number: 6377
Tel: (011) 678-2533
Email: info@associatedcompliance.co.za

**Conflict of Interest:**

| **KEY CONFLICT OF INTEREST DISCLOSURES** | |
|---|---|
| **Relating to your broker:** | |
| Do we have a shareholding in any insurer? | No |
| Do we receive more than 30% of their income from any insurer? | No |
| Do we have a relationship with any insurer that provides a financial interest other than ownership? | No |
| Do we have a relationship with any other broker that provides an ownership or financial interest? | No |
| Do we have a relationship with any distribution channel that provides an ownership, financial interest or support service? | No |
| Do we have a relationship with any other person that provides an ownership or financial interest? | No |
| 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 have a comprehensive Conflict of Interest Management Policy in place. A copy of this policy can be made available on request from our office.

There is nothing further that is required to be disclosed regarding:

1. Associated companies,
2. Third party relationships,
3. Ownership interests within these relationships,
4. Financial Interests or Immaterial Financial Interests paid or received from any of the above entities.

**MANDATES**

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

We have standard Agency agreements in place with:

- Compass Insurance Company Limited
- Hollard Insurance Company Limited
- AIG South Africa Limited
- Bryte Insurance Company Limited
- HDI Global
- CIB (Pty) Ltd C/O GuardRisk

**HOW DO WE GET PAID FOR WHAT WE DO?**

In terms of our standard Agency agreements, 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) Receiving and submitting 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.

Where we provide services to you in addition to the services for which we already receive commission 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.

**2. ABOUT THE INSURER**
Details as per the policy disclosure notice.

**3. ABOUT THE UNDERWRITING MANAGER / ADMINISTRATOR**
Details as per the policy disclosure notice, where applicable.

**4. OTHER MATTERS OF IMPORTANCE**

(a) You must be informed of any material changes to the information referred to in the paragraphs above.
(b) If the information in the above paragraphs are provided verbally, it must be confirmed to you in writing within 30 days.
(c) If the premium is paid by debit order, it may only be in favour of one person and may not be transferred without your approval; the Insurer must inform you at least 30 days before the cancellation thereof, in writing, of its intention to cancel such debit order. If you are paying for personal/domestic insurances you are entitled to a period of 15 days grace, from the payment due date, in which to pay the premium (other than in the first month of insurance).
(d) If the premium is paid in any other way than monthly, you are entitled to a 15 day grace period, from the payment due date, in which to pay the premium. This only applies to personal/domestic insurances.
(e) Please refer to your policy schedule and the policy wording for details regarding your premium payment date and consequences of non-payment.
(f) If you have a claim or are involved in an incident that could lead to a claim please advise us immediately, preferably in writing. Procedures for the submission of claims are detailed within the policy wording.
(g) 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 a claim.
(h) The insurer and not the intermediary must give reasons for rejecting your claim.

(i) Your 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.
(j) You are entitled to a copy of your policy free of charge.
(k) Cooling-off rights: A short-term policyholder has the right to cancel a new or varied policy, with a term longer than 31 days, within 14 days of receiving it, provided no claims or insured events have occurred, and receive a refund of premiums paid minus risk costs within 31 days. If you are unhappy with the policy you receive, please contact us and we will advise you whether you have this right and explain how to exercise it.
(l) If any of the information you gave us changes you must advise us without delay. Your cover, terms and premium are based on what you told the insurer, and we need to notify them of any changes that could affect your policy.
(m) Incorrect or non-disclosure by you of relevant facts may influence an insurer on any claims arising from your contract of insurance. It remains your responsibility to accurately and properly disclose all material facts and answer all questions honestly and completely.

## 5. SHARING OF INSURANCE INFORMATION

Insurers share information with each other regarding policies and claims with a view to prevent fraudulent claims and obtain material information regarding the assessment of risks proposed for insurance. By reducing the incidents of fraud and assessing risks fairly, future premium increases may be limited. This is done in the public interest of all current and potential policyholders.

The sharing of information includes, but is not limited, to information sharing via the Information Data Sharing System operated by Trans Union ITC on behalf of the South African Insurance Association. By the Insurer accepting or renewing this insurance, you or any other person that is represented herein, gives consent to the said information being disclosed to any other insurance company or its agent.

You also similarly give consent to the sharing of information in regard to past insurance policies and claims that you have made. You also acknowledge that information provided by yourself or your representative may be verified against any legally recognised sources or databases.

By insuring or renewing your insurance, you hereby not only consent to such information sharing but also waive any rights of confidentiality with regard to underwriting or claims information that you have provided or that has been provided by another person on your behalf.

In the event of a claim, the information you have supplied with your application together with the information you supply in relation to the claim, will be included on the system and made available to other Insurers participating in the Information Data Sharing System.

## 6. PROCESSING YOUR PERSONAL INFORMATION

Your personal information is required and utilised for the following possible reasons:

- Assessment of your insurance needs
- Managing and servicing your policy
- Handling of claims
- Credit searches, claims checks, and the verification of personal information
- Fraud prevention and detection in conjunction with the relevant insurers
- Market research and statistical analysis
- Offering other related products and services to you
- Audit and record keeping purposes
- Compliance with legal and regulatory requirements
- Sharing information with service providers.

Storage of your information in the cloud may be abroad, but we will not share your information with a third party unless we are satisfied that they have adequate security measures in place to protect your personal information.

You may access your personal information that we hold and request us to correct or update this information.
In certain cases, you have the right to object to the processing of your personal information. Our Privacy policy can be made available upon request.

## 7. WARNING

- Do not sign any blank or partially completed application form.
- Complete all forms in ink.
- Keep all documents handed to you.
- Make notes as to what is said to you.
- Don't be pressurised to buy the product.
- Incorrect or non-disclosure by you of relevant facts may influence an Insurer on any claims arising from your contract of insurance.

## 8. What else should you know?

**<u>We undertake: -</u>**

- 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 and or call recordings used in the preparation of your insurances, when required, free of charge.

## 9. 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:** Mr Hendrikus Strydom
**E-mail:** hendrikus@adirect.co.za

We have a complaints policy in place, which can be provided on request and is available from our office.

If you are dissatisfied with the outcome of your complaint, you can contact the FAIS Ombud or the National Financial Ombud Scheme (NFO) who are available to assist you in the event of complaints that are not satisfactorily resolved by the Intermediary and/or Insurer.

## 10. OTHER IMPORTANT CONTACT DETAILS

If you are not satisfied with the outcome of the insurer's internal dispute resolution processes, or if their feedback provided to you is not in your favour, then you may submit a complaint to the National Financial Ombud Scheme at:

**The National Financial Ombud Scheme**

Telephone Number: 0860-800-900
Email Address: info@nfosa.co.za
Website: www.nfosa.co.za
Physical Address (Johannesburg): 110 Oxford Rd, Houghton Estate, Johannesburg, Gauteng, 2198
Physical Address (Cape Town): Claremont Central Building, 6th Floor, 6 Vineyard Road, Claremont, Western Province,7700

The FAIS Ombud is independent and impartial, and deals with all disputes for all types of clients that arise out of the provision of advice as dealt with by the FAIS Act, for example, the way a policy was sold or how a service was provided.

**FAIS Ombud**

Tel: 012 762 5000
Sharecall: 086 066 3274
Email: info@faisombud.co.za
Website: www.faisombud.co.za
Physical Address: 125 Dallas Avenue Menlyn Central, Waterkloof Glen, Pretoria 0010
P O Box 41, Menlyn Park, 0063

Particulars of the Financial Sector Conduct Authority, the market conduct regulator of financial institutions that provide financial products and financial services:

**The Financial Sector Conduct Authority**
Tel. (012) 428 8000
E-mail: info@fsca.co.za
Web: www.fsca.co.za
Physical Address: Riverwalk Office Park, Block B, 41 Matroosberg Road, Ashlea Gardens, Pretoria, 0081
P O Box 35655, Menlo Park, 0102

## 11. SASRIA

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|---|---|---|---|
| Company name | Sasria Soc Limited | Registration number | 1979/00287/06 |
| Physical Address | 36 Fricker Road, Illovo | Postal Address | P O Box 653367, Benmore, 2010 |
| Tel no: | (011) 214 0800 | Fax No . | (011) 447 8630 |
| Compliance Officer | Mr Mziwoxolo Mavuso | E-mail address | mziwoxolom@sasria.co.za |
| Complaints Tel: | (011) 214 0800 | Email address | contactus@sasria.co.za |