



Financial Intermediaries Association
of Southern Africa



Details of the special Scheme arranged for FIA Members

The PIFRS-FIA Scheme provides, inter alia;

- Professional Indemnity coverage up to R 100 million at very competitive prices,
- Fidelity Guarantee,
- Directors & Officers Liability,
- Regulatory Defence Costs,
- Defamation,
- Loss of Documents,
- Third Party Computer Crime.

Apply for a no obligations quotation by completing the Proposal form on the Registration page.

General FAQs and Guidelines

1.Appointment of Independent or Specialist Consultants and/or sub-Consultants.

If the appointment of any of the above is required please ensure, as far as possible;

(a) That the appointment is made directly by the Client or at his direct written request.
and/or,

(b) If you are required to make the appointment then ensure that he has adequate Professional Indemnity Insurance of his own commensurate with the work he is undertaking.

2. Limit of Indemnity. What Limit to purchase? FSB lays down R 1 million or R 5 million as a minimum. However you also need to consider your own interests at risk.

This is one of the most important and difficult questions to assess as each case differs. Consider for example;

(a) The type of Services or Products you provide eg;

• Do you give Advice or are your Services/Products of a non-Discretionary/non-variable/Provider specific nature,

• If Short-term, what is the size of the largest risk that you arrange cover for and what is the complexity of the risk,

• If Long-term, what is the size/value at risk for your largest Client/Portfolio and what is the complexity of the Advice/Product/Service. What can go wrong and what would the financial impact be,

• What is your reliance on "other parties" for Service/Product delivery for which you could be held liable?

(b) What "back-up" resources do you have to ensure delivery of Services,

(c) The nature of your Clients eg, Private or Corporate, litigious, foreign domiciled,

(d) Relationship and Previous experience with Clients,

(e) Are you able to limit your liability to Clients (NB you cannot contract out of gross negligence),

(f) Are you liable for Clients Funds/premiums and how robust are your security processes/procedures,

(g) The Limit must be enough to cover possibly both Legal Expenses and Damages if awarded. Legal costs rapidly eat away at the Limit of Indemnity in a protracted dispute.

3. Fidelity Guarantee Insurance for Clients and Own Funds/monies.

a) As regards **Clients Funds/monies**. You need to make sure that your PI policy covers this risk and that theft by Directors/Partners is included otherwise you might not be fully protected. The PIFRS/FIA policy covers the risk under the PI section.

PI Financial Risk Services (Pty) Ltd

Member of firstEquity Group

PIFRS and firstEquity are authorised Financial Services Providers | Directors: S Casserly | V Govender | JCS Pearson (CEO), CL Harker (MD) | **Reg No:** 2008/026574/07 | **Physical Address:** First Floor, Block A, Hobart Square Office Park, 23 Hobart Rd, Bryanston, 2191 | **Postal Address:** PO Box 71431 Bryanston, 2021, Gauteng, South Africa | **Telephone:** 08611 74377 (08611 PIFRS) |

b) As regards **Own** funds, you need to make this selection when buying coverage. Please note that theft by Directors/Partners is not covered unless specifically arranged by separate endorsement

4. Directors & Officers Liability Insurance.

If you sit on a board of Directors you are exposed to potential management liability claims arising out of your duties as a Director in terms of the Companies Act. These are very onerous and are not covered by a PI policy. Consult PIFRS if this applies to you. Industry Regulators also impose sometimes onerous conditions. The PIFRS/FIA policy provides limited D&O coverage.

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