



## **PROPOSAL FORM**

### **MULTI-RISK LIABILITY INSURANCE FOR SECURITY COMPANIES**

This Proposal Form, together with the information provided, has been compiled in such a manner as to provide the Underwriters with as much information as possible with regard to the evaluation of the insurance requirements of the Proposer as named herein. Completion of the Form does not bind the Proposer or the Underwriters to complete the insurance transaction.

To assist Underwriters in accurately assessing liability for rating purposes, The Proposer is requested to answer all questions. Should there be insufficient space provided herein, please provide balance of information on additional pages.

**All Questions must be answered and this Proposal signed, dated and initialled on all pages**

**To assistance in the completion of this Proposal, please read the Information attached**

**RETURN ONLY PAGES 1 TO 9 FOR QUOTATION PURPOSES**

**1. NAME(S) OF COMPANIES TO BE INSURED (THE PROPOSER):**

(Refer Information Note 1 attached)

Item	Name	Telephone	Fax
1			
2			
3			
4			
5			
6			

**2. REGISTRATION NUMBERS OF ABOVE COMPANIES:-**

Item	Company Registration	VAT Registration	SOB/SIRA Registration
1			
2			
3			
4			
5			
6			

**3. DATE OF COMMENCEMENT OF OPERATIONS:**

\_\_\_\_\_

**4. REGISTERED ADDRESS OF HEAD OFFICE:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Postal Code:**

\_\_\_\_\_

**5. POSTAL ADDRESS OF THE PROPOSER:**

\_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Postal Code:**

\_\_\_\_\_

**6. SITUATION OF PREMISES OWNED/OCCUPIED BY THE PROPOSER:**

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_
- (d) \_\_\_\_\_
- (e) \_\_\_\_\_
- (f) \_\_\_\_\_

**7. ANNUAL TURNOVER ACHIEVED FOR THE LAST THREE YEARS:**

Year (1):      Period: \_\_\_\_\_                      Turnover: R \_\_\_\_\_  
 Year (2):      Period: \_\_\_\_\_                      Turnover: R \_\_\_\_\_  
 Year (3):      Period: \_\_\_\_\_                      Turnover: R \_\_\_\_\_

**8. ESTIMATED TURNOVER FORTHCOMING TWELVE MONTHS:                      R \_\_\_\_\_**

**(Refer to Information Note 2 attached)**

Service Contracts	With Firearms	Without Firearms
Warden Services, Access Control & Goods Despatch	R	R
Special Event Security Services	Not Applicable	R
Alarm Monitoring and/or Response	R	R
Escort Services - Banking & Payroll Services	R	Not Applicable
Escort Services - Other Goods	R	R
Bodyguards	R	R
Undercover Agents	R	R
Security Consultancies	Not Applicable	R
Training Centres	R	R
Medical Response/Ambulance Services	Not Applicable	R
Supply, Installation & Maintenance of Detection, Access Control & Alarm Systems	Not Applicable	R
Other Security Services	R	R
Totals	R	R

Notes:

(a) Where a Turnover has been included for “Special Event Security Services”, please provide full details:-

Type of Events for which these Services are offered (e.g. sport events)	Duties of the Security Personnel at these Events (e.g. Access Control)	Types of venues at which these Events take place (e.g. stadiums)

(b) Where a Turnover has been included for “Medical Response and Ambulance Services”, Quotations will be provided to include the Professional Indemnity Section and the relevant Malpractice Extension.

**Please ensure that the relevant Questions for Medical Training have been answered under Q10 below.**

(c) Where a Turnover has been included for the “Supply, Installation & Maintenance of Detection, Access Control & Alarm Systems”, Quotations will be provided to include the Products Liability Section.

**Please ensure that the relevant Questions for Product Liability have been answered under Q13 below.**

**9. TOTAL STAFF COMPLEMENT:**

Please breakdown the current Staff complement into the Grades of Security Officers as determined under the provisions of the Wage Determination Act 460 of 1957 (as amended):

Grade A: \_\_\_\_\_ Grade B: \_\_\_\_\_ Grade C: \_\_\_\_\_ Grade D: \_\_\_\_\_ Grade E: \_\_\_\_\_                      Total: \_\_\_\_\_



**(iii) Fidelity Risk Extension**

- (a) Is cover required for this Extension? Yes   
 No
- (b) Indemnity Limits Required: R250.000 "Per Claim" and "Per Period"  or  
 R500.000 "Per Claim" and "Per Period"

Please tick that which is applicable

		Yes	No
(a)	Do you retain, in the Employee records, a copy of the original Registration Certificate issued by the Security Officers Board?		
(b)	If the answer to (a) is "No", or if the Employee is not in possession of the original Registration Certificate, do you obtain a certified copy from the Security Officers Board?		
(c)	If an applicant for employment is in possession of an original Registration Certificate, do you confirm such registration with the Security Officers Board?		
(d)	Do you investigate and confirm previous employment records of applicants for employment?		

If cover is required for this Extension, and in order to provide an equitable Premium for the Risk, please indicate an approximate percentage split in your current Contracts, **based on allocation of Security Personnel**, into the following Categories:-

	Category	%
(a)	Jewellers, Banks, Mines, Computers and other Electronic Goods Manufacturers and Suppliers	
(b)	Motor Vehicle Manufacturers and Suppliers	
(c)	Shopping Centres and Office Premises	
(d)	Other Industrial Premises	
(e)	Domestic Accommodation, including Residential Estates	

**(iv) Money-In-Transit Extension**

- (a) Is cover required for this Extension? Yes   
 No
- (b) Indemnity Limits Required: R100.000 "Per Claim"/R250.000 "Per Period"  or  
 R250.000 "Per Claim"/R500.000 "Per Period"

Please tick that which is applicable

		Yes	No
(a)	Do you merely provide an escort to your Clients?		
(b)	Do you transport the Money in your own vehicles?		
(c)	If the answer to (b) is "Yes", do you use specialised vehicles?		
(d)	Do you transport Money on behalf of more than one client at any one time?		
(e)	What is the maximum "Pavement" exposure at any one time?	R	
(f)	What is the maximum "Vehicle" exposure at any one time?	R	

**13. PRODUCTS LIABILITY (Refer Information Note 2 (c) attached)**

Where the Proposer Supplies, Installs or Maintains Detection, Access Control or Alarm Systems, by inclusion of a Turnover in Q8 above, the following must be completed:-

- (a) Are Components to the Systems manufactured or assembled by the Proposer?  Yes  No  
 If "Yes", where such Products are manufactured/assembled by the Proposer under Licence, please provide copies of the Licence Agreements and specify the Products.
- (b) Are the Components to the Systems manufactured by others?  Yes  No  
 If "Yes", are full recourse rights retained?  Yes  No  
 Where such Products are manufactured/assembled by others under Licence from the Proposer, please provide copies of the Licence Agreements and specify the Products.
- (c) Does the Proposer design any of the Systems, or Components thereof?  Yes  No  
 If "Yes", does the Proposer operate a Research and Development Department?  Yes  No  
 If "Yes", please provide relevant details and qualifications of all personnel.
- (d) Please refer to Note 6 of the Information and provide details below of all Products manufactured, assembled, sold, supplied, serviced, treated or altered by the Proposer, together with Anticipated Failure Rate\* and Estimated Turnover for the forthcoming twelve months.

**Table I Products designed & manufactured by the Proposer:**

Description of Product	Anticipated Failure Rate	Estimated Annual Turnover
		R
		R
		R
		R
		R

**Table II Products manufactured/assembled by the Proposer - no design:**

Description of Product	Anticipated Failure Rate	Estimated Annual Turnover
		R
		R
		R
		R

**Table III Products sold, supplied or distributed by the Proposer - no design or manufacture/assembly:**

Description of Product	Anticipated Failure Rate	Estimated Annual Turnover
		R
		R
		R
		R
		R

7/.....

- (e) If any new Products, which are not included above, are contemplated by the Proposer during the next twelve months, please

provide details below and advise which category of Tables I, II or III above applies.

Description of Product	Category	Estimated Annual Turnover
		R
		R
		R
		R
		R

(f) If the Proposer exports any Products, please provide details below. "Representation" in the Country concerned means Branch, Subsidiary Company, Agency, etc..

Description of Product	Country of Destination	Representation	Estimated Annual Turnover

**14. PREVIOUS INSURANCES:**

- (a) Has the Proposer previously been insured?  Yes  No
- (b) Name of previous Insurer (If applicable): \_\_\_\_\_
- (c) Has any Proposal for insurance been declined?  Yes  No
- (d) Has any previous Insurer:-
  - (i) required increased Premiums or terms?  Yes  No
  - (ii) required special restrictions or Conditions?  Yes  No
  - (iii) terminated or refused to renew any insurance?  Yes  No

If any answer to questions (c) or (d) is "Yes", please provide full details:-

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**15. CLAIMS DETAILS:**

(a) Please provide details of all claims made against the Proposer, whether or not insured, over the past five years:

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**15. CLAIMS DETAILS (Continued):**

(b) Is the Proposer aware, after enquiry, of any circumstances which may subsequently give rise to a claim or claims being made against them, whether or not insured?  Yes  No

If the answer to this Question is "Yes", please provide full details:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**16. CONTRACT CONDITIONS**

**Refer Information Note 6 (c) attached.** This sets out Underwriters minimum requirements with regards to the Standard Conditions of Contract. Where those Standard Conditions used by the Proposer do not comply, these should be referred to the Proposer's attorneys for amendment.

Please attached a specimen copy of the Proposer's Standard Conditions of Contract for record purposes.

**17. SIRA REGISTRATION CERTIFICATE**

Please attach a copy of the Proposer's Registration Certificate in terms of the Private Security Industry Regulations Act No 56 of 2001

**18 DECLARATION AND SIGNATURE**

**The answers given above and in the attached Sections represent the true position to the best of my knowledge and belief and I agree that they shall form the basis of the contract of insurance proposed, should such contract be effected.**

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_

For and on behalf of the Proposer

Name of Authorised Signatory: \_\_\_\_\_

Position held: \_\_\_\_\_

Signed: \_\_\_\_\_



## LIABILITY INSURANCE FOR SECURITY COMPANIES

### INFORMATION

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**Whilst this information need not be returned to Underwriters for Quotation purposes, it will be deemed to form part of the Underwriting Information provided to Underwriters and is also designed to assist the Proposer in completing this Form and understanding the cover provided. Nothing herein will over-ride or amend the terms, exclusions, conditions and limitations of the Certificate**

#### 1. The Assured

Only those Companies named will be insured. Please, therefore, ensure that names of all companies to be insured have been included. The full names of the legal entities must be advised, ie "Limited", "(Pty) Limited", "CC", "trading as" or "Sole Trader".

#### 2. Turnover and Services

For the purposes of calculating an equitable Premium, the Estimated Turnover for the forthcoming twelve months must be allocated to the various categories shown in the Table under Question 8. These amounts will provide Underwriters with a profile of the risk and assist in the provision of a quotation to include all insurable risks. However, please note that not all risks may be insured and refer **Excluded Risks Note 5** below. For the purposes of the Categories stated, the following definitions are provided:-

##### (a) In respect of Security Claims:

- (i) "Warden Services" shall mean the provision of Static Guards and Dogs at Domestic, Commercial and Industrial Premises.
- (ii) "Special Events" shall mean the provision of General Security, Access Control, Parking, Crowd Control and VIP Protection Services in respect of individual exhibitions, Sports meetings, Concerts, Conferences and events of a similar nature.
- (iii) "Access Control" shall mean the control of access to and exit from Commercial and Industrial Premises.
- (iv) "Goods Despatch" shall mean the inspection and confirmation of goods leaving Commercial and Industrial Premises.
- (v) "Escort Services" shall mean the provision of security personnel in the escort of persons or vehicles carrying money or goods.
- (vi) "Control Centre Monitoring and Response to Alarm Systems" shall mean contracts for the monitoring of and response to the activation of alarm systems.
- (vii) "Undercover Agents" shall mean the activities of the Proposer in covert investigations
- (viii) "Bodyguards" shall mean contracts solely for the protection of specified persons.
- (ix) "Special Event Security Services" shall mean contracts for General Security, Access Control, Parking, Crowd Control and VIP/Close Protection Services in respect of individual exhibitions, sports meetings, concerts, conferences and events of a similar nature

##### (b) In respect of Professional Negligence:

- (i) "Security Consultants" shall mean the provision of such consultancies as a revenue earning activity of the Proposer, ie in exchange for a fee.
- (ii) "Training Centres" shall mean the provision of security training to outside personnel as a revenue earning activity of the Proposer.
- (iii) Medical Response and Ambulance Services shall mean the provision of First Aid Response and Paramedical Ambulance Services (applicable only if the Extension is granted). However, it should be noted that cover provided is for Paramedical Risks only and does not include full Professional Indemnity applicable to Doctors, Specialists, Nurses, etc.

##### (c) In respect of Products Liability:

- (i) For the purposes of this Proposal, "Anticipated Failure Rate" shall mean that percentage of Annual Turnover incurred by the Assured in the cost of "guarantee" replacement of Products or Work done.
- (ii) For the purposes of the Product Details under (iii) below, "Design" refers to the design of Components and Stand-alone Products and not to the design of any System incorporating such Components/Products.
- (iii) Details are required in the following manner:-
  - (1) Products designed & manufactured by the Assured
  - (2) Products manufactured/assembled by the Assured - no design
  - (3) Products sold, supplied or distributed by the Assured - no design or manufacture/assembly

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### 3. Indemnity Limits

For the purposes of the Indemnity Limits required:-

- (i) "Per Claim" means any one claim or series of claims arising out of one originating cause
- (ii) "Per Period" means the an aggregate of all claims made against the Assured during the Period of Insurance. This Limit may be higher than the "Per Claim" Limits, but cannot be less than such Limit.

If quotations are required for alternative Indemnity Limits, please indicate such requirements in the Table under Question 11.

### 4. Optional Extensions

The basic cover for Security Claims does not include the following optional Extensions:-

- (a) Employers Liability Extension:

The cover provided relates to claims made against an Employer by an Employee for liability arising out of Injury (as defined) sustained by the Employee whilst acting in the course and scope of his/her employment. Cover will apply only in respects of amounts payable in terms of the Compensation for Occupational Injury and Diseases Act and excludes Occupational Diseases and Asbestosis.

- (b) Firearms Extension:

The Underwriters, at their discretion, may provide cover for claims arising out of the possession or use of firearms. The following should be noted:-

- (i) The Indemnity Limits for this Extension are inclusive in, and not in addition to, the Indemnity Limits applicable to Security Claims Section. The Indemnity Limits required for quotation purposes under Question 12 can, therefore, may be less than, but cannot exceed those required for the Security Claims Section under Question 11.
- (ii) The following Conditions are precedent to the liability of the Underwriters to provide indemnity under the insurance and failure to comply with such Conditions may result in the claim being rejected:-
  - (1) All Armed Security Personnel shall:-
    - (A) only Grade A, B, C or D Guards are covered – no cover will be granted to Grade E Guards
    - (B) have undergone relevant training in both the use of the firearm being used and relevant legal aspects to the standards required by the Security Officers Board and shall undertake Practical Evaluation Refresher Courses every six months with a 75% success rating. Records of these courses must be retained in the Personnel File.
  - (2) The Assured shall at all times comply with all the provisions of all legislation governing, including, but not limited to:-
    - (A) the Security Officers Act No 92 of 1987 (as amended)
    - (B) the Arms and Ammunitions Amendment Act No 60 of 1988 (as amended)
 or any legislation passed in replacement thereof.
  - (3) In the event of the discharge of a firearm, or any incident likely to give rise to a claim, the Assured shall:-
    - (B) report the incident to the Police as soon as reasonably possible
    - (C) immediately advise the Underwriters and, as soon as reasonably possible, provide the Underwriters with a copy of the relevant Police Report. Should any criminal action be instituted against the Security Personnel involved, details of such action should also be advised to Underwriters for record purposes.
- (iii) All firearms issued by the Assured to Security Personnel for the purposes of carrying out their duties must be returned to the Assured as soon as possible after the completion of his tour of duty. No cover is granted in respect of off-duty incidents.
- (iv) No indemnity is granted in respect of claims arising out of the use of automatic firearms.

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- (c) Fidelity Risks Extension:

It is a standard Exclusion that no indemnity is provided in respect of claims arising out of any dishonest, illegal or criminal act committed by the Assured or any Employee or person acting on behalf of the Assured, including any collusion thereto. The insurance may be extended to include theft or collusion by Security Personnel, and the following should be noted:-

- (i) The Indemnity Limits for this Extension are inclusive in, and not in addition to, the Indemnity Limits applicable to Security Claims Section. However, subject to the availability of Indemnity Limits under the Security Claims Section, the "Per Period" Indemnity Limit for this Extension will be automatically reinstated in respect of any further claims notified after exhaustion of the said Indemnity Limit.
- (ii) Cover is provided for the liability of the Employer (Assured), and not to the Employee,
- (iii) Cover only applies to Employees who:-
  - (1) were over the age 21 at the time of the loss, and
  - (2) have been in the employ of the Assured for a period of at least 12 months, or, alternatively, employed in the Security Industry for an uninterrupted period of three years

Where a loss involves both insured and uninsured Employees, the amount of indemnity available, after application of the Excess, will be proportional to the number of employees insured and uninsured.
- (iv) No cover is provided in respect of:-
  - (1) any Principal, Director or Member of the Assured
  - (2) Contracts for the Escort of Money and/or Goods
- (v) The Assured will be required, at their own expense and as a condition precedent to Underwriters' liability under the insurance, to pursue criminal charges against the Employees involved.
- (vi) All Personnel, both Security and those of the Client, who it is suspected may have an involvement in a loss, will be subjected to polygraph tests and the results thereof will be treated as prima facie evidence of their involvement, or otherwise, in the loss. **The Contract Conditions should be amended to ensure obligation on the Client to comply.**

(d) Money-in-Transit Extension

- (i) The Indemnity Limits for this Extension are inclusive in, and not in addition to, the Indemnity Limits applicable to Security Claims Section.
- (i) (1) The cover provided applies only to contracts the escort of money to and from the premises of clients - it is not intended to provide cover for specialist Assets-in-Transit Contractors.
- (2) This cover is not an alternative to the responsibility of the Client to insure their Money in Transit, or to their Insurers for recovery. Consequently, and the onus will rest on the Client, or their Insurers, to prove that the loss was caused by, or contributed to by the negligence of the Security Personnel.
- (iii) The "Per Claim" Limit will also be treated as a "Maximum Carry Limit". Claims arising out of the transit of Money exceeding the "Per Claim" Limit (ie the Maximum Carry Limit) will be excluded, the intention being to reduce the attractiveness of the carry and the risk of loss. At the same time, this also restricts cover to those companies offering an additional service to their Clients and not to those companies specialising in Assets-in-Transit, where specialised insurance is required. It is, therefore, essential that the Assured, who may not be aware of the amount to be carried, advise their Client that the amount at risk should not exceed the "Per Claim" Limit and should also select a "Per Claim" Limit which includes the costs of the investigation and defence of the claim.
- (iv) Cover excludes Payroll Services with regards to the preparation of pay packets at own or clients premises, and supervision or payment of wages, ie cover is for the transit risk only.

(e) Special Event Security Services

This is a standard Exclusion, but cover may be granted on submission of the full Underwriting Information. The cover provided will form the subject of the Security Claims Section and the following should be noted:-

- (i) All "Employees" must wear vests, or other apparel, identifying them as employees of the Assured.
- (ii) No cover is provided for claims arising out of the use of Firearms, other than for VIP/Close Protection Services, or the use of teargas or similar crowd control substances.
- (iii) Any Employee carrying out any Security Services as contemplated by Security Legislation must be registered in terms of such legislation.

(f) Contracts at any Airport or Airfield

This is a standard Exclusion, but cover may be granted on submission of the full Underwriting Information and a Survey of the risk. The cover provided will form the subject of the Security Claims Section and will be subject to the terms, exclusions, conditions and limitations quoted in respect of such risk in accordance with the Underwriting Information and Survey.

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**5. Excluded Risks**

Whilst the breakdown in Turnover under Question 8 provides Underwriters with a profile of the Assured's activities, not all risks are covered. The following should be noted:-

- (i) Free Range Dogs – all dogs must be under the control of a handler.
- (ii) Escort Services in respect of the vehicles, personnel and/or Goods/Money under escort, whether in the Assured vehicles or otherwise – cover only applies to claims arising out of Injury or Damage suffered by innocent Third Parties.
- (iii) Undercover Agents, except in respect of the provision of non-uniformed personnel as Store Detectives for the sole purpose of preventing or detecting shoplifting or stock shrinkage - cover for this risk is provided under Warden Services.
- (iv) Contractual Liability – liability attaching to the Assured in terms of any contract or agreement which liability would not attach in the absence of such contract or agreement.

## 6. General Notes

The following information is provided in respect of the cover provided and expectations of Underwriters:

### (a) The Excess:

The Excess applicable to Security Claims, and applicable Extensions, is “Costs Inclusive” which means that, on notification of a claim or any incident likely to give rise to a claim, Underwriters will appoint an Assessor or Attorney, or both, as the circumstances dictate, and these costs will be applied to the Excess in the following manner:-

- (i) Underwriters will settle all Assessors and Attorneys accounts, **on behalf of the Assured**, as they are submitted.
- (ii) A copy of the accounts will be submitted to the Assured for reimbursement until the total amount recovered equals the Excess applicable, following which such costs will become part of the claim under the insurance.

It is possible, therefore, that costs may be incurred in respect of claims which, subsequently, are not insured or which may be finalised, inclusive of all costs, for amounts less than the applicable Excess. In such cases, the Assured shall remain liable for all costs incurred “Within Excess”. It is, therefore, imperative that the Assured provide Underwriters with all necessary information and assistance in order to keep such costs to a minimum.

The “Excess Payments Clause”, where applicable, provides Underwriters with security against the possibility that the Assured may not be able to meet its obligations in terms of the Excess. The Assured may, therefore, at the time of notification of a claim, or circumstances likely to give rise to a claim, and at the request of the Underwriters, be required to provide Underwriters with adequate security, in the form of a Bank Guarantee or other acceptable means, for reimbursement of all amounts paid by Underwriters on their behalf and which amounts are for the account of the Assured in terms of the Excess. If the guarantee is not submitted, as requested, Underwriters will treat the claim as “withdrawn” and will have no liability in respect thereof.

### (b) Special Conditions:

- (i) All Monitoring Control Centres must be to S.A.I.D.S.A. standards, whether or not the Assured is a Member of that Association, as this will provide Underwriters with reasonable proof in the event of a claim.
- (ii) No keys, except those necessary for the purposes of the Services, should be available to the Security Personnel. The Client must be advised accordingly.
- (iii) Where the Contract Site comprises a showroom or car lot, to which the public may have after hours access, must be protected by the Client in such a manner that removal of a vehicle will result in damage to the vehicle.

### (c) Contract Conditions:

Underwriters require that the Standard Conditions of Contract used by the Assured contain clauses to the following effect, it being understood that:-

- (i) the stated clauses are suggestions only for the purpose of emphasising Underwriters' requirements and must be referred by the Assured to their own attorney to ensure that the clauses used in their conditions reflect intention and are legally enforceable.
- (ii) acceptance by Underwriters of any contract conditions is specifically in relation to the insurance policy and the risks accepted by the Underwriters. An insurance policy does not cover all losses, ie there are excluded and uninsurable risks, and the Security Contractor must satisfy himself that the contract conditions are acceptable to him in the normal course of the business and, more particularly, in relation to the uninsured risks. Underwriters cannot accept any responsibility for anything untoward which may result from the suggested clauses.

At the same time, Underwriters would suggest the following:-

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- (iii) that no clause is included whereby the Client is allowed to off-set any moneys owing to the Assured in relation to Services rendered against any claims for which the Client may seek recourse against the Assured. In these cases, the result will be that the Client will withhold payment for Services and no actual defendable claim will be made against the Assured, ie Underwriters will have no claim to defend or settle under the insurance. Further, by acceptance of such a

clause in the Contract Conditions, the Assured has, in advance of any claim, effectively agreed settlement without the prior agreement of the Underwriters, ie the Assured is then in breach of the Certificate Conditions.

- (iv) if possible, that a clause be included whereby the Contractor restricts their liability to amounts payable by the Liability Underwriters. This will provide the Contractor with some protection against claims which exceed the Indemnity Limits under the insurance or which may be uninsured.

Underwriters will expect the Security Contract to contain clauses to the undernoted effect. **Failure to comply with these Clauses could may result in the rejection of claims:-**

- (1) The sole object and function of the Security Service and Security Personnel provided by the Contractor is to prevent or minimise the risk of loss or damage to property and injury to persons by fire, theft, burglary or vandalism and the Contractor gives no warranty or guarantee that its Security Personnel will be able to prevent or minimise such loss, damage or injury.
- (2) The Contractor and its Security Personnel shall not be liable to the Client or any Third Party for death of or injury to or illness sustained by any person (hereinafter referred to as "Injury") or loss of or damage to property (hereinafter referred to as "Damage") whether direct or consequential and howsoever caused and the Client will indemnify and hold harmless the Contractor and its Security Personnel in respect of all claims arising out of any such Injury or Damage unless and only to the extent that it can be proven that such Injury or Damage shall have been caused by the negligence of or disregard of duties by the Contractor or its Security Personnel.
- (3)
  - (a) The Client shall be deemed to have furnished the Contractor and its Security Personnel with authority to search the person, property or premises of any person or concern.
  - (b) The Client shall be deemed to have furnished the Contractor and its Security Personnel with authority in terms of Section 42 (3) of Act 51 of 1977 to arrest any person found committing any offence on or in respect of its premises or any part thereof.
  - (c) The Client irrevocably indemnifies the Contractor and its Security Personnel against any claim or claims which may be instituted against any one or more of them, which claim or claims arise out of or in connection with any search or arrest.
- (4) The Client acknowledges that the Services provided by the Contractor are not an alternative to insurance and that it shall be encumbent upon the Client to effect all necessary insurance in relation to his business.

In addition to the above, the Contract should contain a *force majeure* exclusion, including reference to terrorism, strikes and industrial action. In essence, the Assured has no control over these risks.