



SECTION B – YOUR LEGAL INSURANCE BENEFIT

The following terms and conditions apply only to the Legal Insurance Benefit. Your Insurer is Centriq Insurance Company Limited (Registration Number: 1998/007558/06; FSP Number: 3417) who has authorised us to handle and pay claims on their behalf.

12 DEFINITIONS

12.1 "Fact/s" means all relevant facts (circumstances, acts and omissions) which relate to the pursuit or defence of a case relating to your legal rights.

12.2 "Proceeding" means the pursuit or defence of a single civil or criminal matter before one single South African court of law (Magistrate's Court or higher), or a single labour matter before either the CCMA, a Bargaining Council, or the Labour Court.

12.3 "Legal fees" means reasonable attorney's fees, costs and disbursements of a proceeding necessarily incurred.

13 HOW YOUR LEGAL INSURANCE BENEFIT WORKS

13.1 The benefit covers you for litigating civil and labour cases, whether you are bringing or defending the case, and for your defence in criminal cases. Limited cover is given for Constitutional Court matters (see 26.16 below). The benefit does not cover everything because there are exclusions and limitations, all of which are set out below.

13.2 If you have a claim, you will have to submit a Claim Form and comply with the requests of our Claims Department. If the claim is approved, we help you find an attorney (although you can choose your own) who will handle the case for you. The Legal Insurance Benefit will pay for the legal fees. The benefit does not cover damages, security for costs, fines, penalties or bail money (Bail money will be paid for Prestige and Prestige Plus members, subject to clause 3 read with 26.3). If you lose the case, the benefit will also cover the taxed costs of the other side which are awarded by the Court.

14 WAITING PERIOD AND PRIOR EVENTS

14.1 There is a one month Waiting Period. This means that if you pay the premium in month 1, you will only be covered upon payment of your 2nd premium in month 2. In other words, if any of the facts which relate to your claim took place during or before a Waiting Period (a 'prior event'), you will not be covered. The date to consider is when the facts took place, not when knowledge of legal action is contemplated. [Example: You have a motor accident in 2011. In 2012, you become a member. In 2013, you receive a summons relating to the accident in 2011. This is a non-covered prior event (even though you received the Summons whilst you are an active member in 2013).]

14.2 If you fail to pay a premium at any time, another Waiting Period will apply from the date you make your next payment. For example, if you pay from month 1 to 6, but in month 7 you are unpaid, and payments are made from month 8 onwards, then you will be subject to another Waiting Period in month 8, and will only come into cover again in month 9.

14.3 The Waiting Period applies to Additional family members from the date of their first payment.

15 MAXIMUM COVER AMOUNT

The maximum cover amount payable for any one claim cannot exceed the monetary value of the dispute with the other party, nor the maximum cover amount set out in the most recent Welcome Letter or annual increase letter.

16 CONDITIONS FOR COVER

The following are conditions which have to be met before a claim will be approved. Even after approval, we will withdraw cover if any of these conditions are no longer met.

16.1 The facts must all take place in the Republic of South Africa and the proceedings must be pursued in the Republic of South Africa.

16.2 You must where possible take all reasonable steps to look after your rights so as to prevent a claim from happening, and to avoid legal fees from having to be unnecessarily incurred.

16.3 The claim must relate to you directly, and must be brought in your personal and private capacity and relate to your private affairs. We will not cover a claim where you are acting in your capacity as a director, shareholder, member of a Close Corporation, officer, trustee, executor, guardian, curator, partner, or similar capacity.

16.4 There must be a reasonable prospect of success that you will succeed in court, and court action must be the only reasonable way available to resolve the matter. We make this decision, and if we are in doubt, we refer it to a panel attorney for decision.

16.5 You must be truthful and not withhold any information related to your claim. You must tell us all important or relevant information or facts, even if we don't ask for them.

16.6 You must respond as soon as reasonably possible to, and co-operate fully with, any of our requests and those of the attorney appointed to represent you.

16.7 The party you are proceeding against must be employed or have assets to pay for any judgment in your favour.

16.8 The estimated legal fees cannot be greater than the maximum cover amount, unless you provide security for the balance of the fees.

16.9 You cannot be subject to or contemplating sequestration, administration, debt re-arrangement, or anything similar.

17 LIMITATIONS

The following are conditions which have to be met before a claim will be approved. Even after approval, we will withdraw cover if any of these conditions are no longer met.

17.1 You can only pursue one proceeding for one set of facts.

17.2 The maximum cover amount will apply to one set of facts, even if other members of your family are also involved in those set of facts.

17.3 If flowing from one set of facts there is both a basis for exclusion and a basis for cover, then if the basis for exclusion is either the dominant or the initiating cause of the facts, you will not receive cover.

17.4 We will not pay legal fees which are unnecessarily incurred as a result of your actions or which arise as a result of you not co-operating with the attorney, or which are duplicated by you changing attorneys

18 COSTS INCURRED WITHOUT OUR APPROVAL

Costs incurred prior to the written approval of a claim, or after written approval but not authorised by us, are for your own account.

19 HOW TO REPORT CLAIMS

19.1 You must notify us within 3 months of you becoming aware (or when you should reasonably have become aware) of the first fact relating to the claim. We will not accept late notification.

19.2 Special attention must be given to legal documents which you receive that you need to comply with (e.g. summons, dismissal letter from your employer, letter of demand etc). A copy must be given to us within 3 working days.

19.3 You must complete a claim form as requested by us (including witness statements and experts reports if required) at your cost.

20 ALTERNATIVE RESOLUTION OF CLAIMS

20.1 We may instruct that a certain course of action be followed before approving a claim, if such course of action may lead to settlement or resolution of the claim without formal legal representation. This includes you making genuine attempts to settle the matter.

20.2 Rather than approving a claim, we may settle it by paying you (or the other party) a sum of money. If we pay you, the amount will not be less than the amount claimed by you or agreed to by you.

20.3 If you disagree with any of our recommendations or instructions, then upon written request from you we will instruct a panel attorney to decide the matter.

21 CLAIM APPROVAL AND APPOINTMENT OF ATTORNEY

21.1 Within 7 days of receiving a completed claim form, we will advise you in writing whether the claim has been approved or rejected. Cover cannot be approved orally or over the phone.

21.2 We are entitled to investigate the claim, and you grant us full authority to contact any person, take statements, and conduct whatever investigations we consider necessary.

21.3 If your claim is approved, an attorney will be appointed to handle your case, and you and the attorney will be sent written confirmation of cover. We normally select the attorney, and if we do then all the legal fees will usually be covered by this benefit. This means that, if the maximum cover amount is not exceeded and you comply with all the terms and conditions, you will not have to pay in anything extra.

21.4 However, you may wish to select your own attorney. If you do, please be aware that you will have to pay the attorney anything charged in excess of the Table of Fees set out below (similar to a doctor who charges above Medical Aid rates, where you have to pay the balance). We will only pay legal fees incurred after we have approved, in writing, the appointment of your attorney.

21.5 Once the attorney is appointed, we fall largely out of the picture, because the attorney acts on your behalf, not ours. Our only obligations at this stage are to pay for the legal fees and to assist you in resolving servicing issues with your attorney (notify us as soon as possible if you have a service complaint).

21.6 You agree that the attorney can keep us fully informed at all times of the progress of your case, and can let us have any information which may be relevant to whether your claim should continue to be covered or not.

22 SETTLEMENT BY ATTORNEY

22.1 If, in the opinion of the attorney, the claim is at any time capable of being settled, you are required to work together with and assist the attorney (as far as is reasonably possible) to settle the matter.

22.2 If you reject a settlement proposal that the attorney believes is fair and reasonable, then we will no longer pay any further legal fees incurred.

22.3 If you accept a settlement without any provision made for the recovery of legal fees and without our prior written approval, then any amount that is recovered on your behalf will first be used to reimburse us for legal fees paid by us, and thereafter to pay amounts due to you.

22.4 We do not pay the costs of the other side in settled matters.

23 PAYMENT OF CLAIM AND COSTS RECOVERED

23.1 You must send us within 30 days of receipt any account that you receive for legal fees which must be signed by the attorney, failing which we will not be required to pay those accounts.

23.2 We will only be obliged to make payment at the conclusion of the claim.

23.3 If legal costs are awarded in your favour or are otherwise recovered, you agree that these will be paid to us in recovery of legal fees paid by us. Any amount that is recovered on your behalf will first be used to pay us, and thereafter to pay amounts due to you.

24 CLAIM REJECTION

24.1 If we reject your claim, you will be notified in writing, and we will give you the reasons for the decision.

24.2 If you wish to contest the rejection, you will have 90 days to make written representations to us, to be marked for the attention of the Claims Manager. We will respond in writing within 14 days. You may also lodge a complaint under the Financial Services Ombuds Schemes Act or with the Short-term Insurance Ombudsman.

24.3 You have 180 days from the expiry of the above 90-day period to institute legal action to dispute our decision and if you do not, you will no longer have any claim.

25 COVER STOPS IF YOU CANCEL

If you cancel your Plan and you already have a claim which has been approved, we will no longer be responsible to pay the legal fees incurred after you cancel the Plan, and cover will be withdrawn. We will still pay the legal fees incurred before cancellation.

26 EXCLUSIONS

We will not pay for any claim that arises out of or is connected to any of the following:

26.1 Any matter involving the pursuit of business or monetary gain, other than your income as an employee. This includes but is not limited to your conduct of a business, profession or trade, or acting as a landlord, or anything relating to patent, trademark, or copyright. A criminal action arising out of the foregoing is also excluded.

26.2 Marriage, past or present affectionate relationships, divorce*, child care or custody, access, guardianship, maintenance, parenthood, paternity, promise to marry, family or domestic violence, adoption, or ownership or monetary disputes with a current or former spouse or partner or life-partner, child, parent, or sibling. The enforcement or annulment of a court order relating to the foregoing is also excluded. [*For Prestige Plus Plan members, undefended divorce is covered if we have received 6 consecutive premiums prior to submission of the claim. This benefit does not include the cost of settlement negotiations nor the costs of delays or postponements caused by either of the parties to the divorce. If the divorce becomes defended, cover will immediately cease]

26.3 Criminal conduct, unless you have a strong defence which you can prove. Criminal conduct which is similar to a previous conviction or where an admission of guilt fine is payable is also excluded.

26.4 Any conduct where you were under the influence of or affected by alcohol or drugs.

26.5 A rejection of a claim or any claim made against us or the attorney.

26.6 Appeals and/or reviews.

26.7 Claims related to immovable property, other than your full-time permanent place of residence ("your house"). Changing the status, zoning, right of use of your house, and amendments to Title Deeds are also excluded. If you buy a property (with intention to use it as your house) which is occupied by someone else, we will not pay for their eviction.

- 26.8** Claims related to infringement of your personality rights (e.g. the right to dignity, privacy, a good name etc).
- 26.9** Claims related to a vehicle of which you are not the registered owner (or, for instalment sale agreements, you are not authorised by the credit provider to be in possession of the vehicle), or claims related to you driving without a licence.
- 26.10** Mass action or protest, contamination or damage from nuclear material, war, hostilities, rebellion, unlawful labour disturbances, public disorder, civil disobedience, resisting or impeding lawful authority, intimidation, conduct contrary to public policy or tainted with illegality or involving indecent or unlawful sexual behaviour or based on malice or vexatious conduct on your part or undertaken to further ideological objectives (e.g. economic or environmental) or political activities, or which may harm the interests or wellbeing of any organ of state or municipality.
- 26.11** Claims related to government, a municipal body, or similar body or structure which relate to provision of services, rates, taxes, water, lights, waste, e-tags or tolls, similar charges, or maintenance of infrastructure (e.g. roads), or which relate to delays in performance or slackness.
- 26.12** Matters which are administrative in nature or involve the drafting of documents, including but not limited to conveyancing, wills, deceased estates, marriage contracts, tax and similar matters.
- 26.13** Matters that are trivial, or have a monetary value less than the limit of the Small Claims Court.
- 26.14** Debt management or failure by you to discharge a debt lawfully due by you.
- 26.15** Applications relating to the status of a person (e.g. sequestration, rehabilitation, curatorship, insanity) or similar matters.
- 26.16** Constitutional Court matters, unless this relates directly to your physical safety.

27 TABLE OF FEES

Legal fees will be paid as set out below. Amounts charged in excess of the Table of Fees are for your account.

- 27.1** Disbursements: All reasonable disbursements necessarily incurred (supported by vouchers) will be paid, provided such disbursements are taxable and do not exceed what would be allowed on taxation, excluding the costs of any interpreter or witness fees.
- 27.2** Advocates fees: Advocates fees in the Magistrate's Court or Labour Court are not covered. Fees for advocates in the High Court will not be paid unless our prior written consent is first obtained.
- 27.3** Criminal matters: Whatever is claimable in terms of the Legal Aid Board tariff, plus 50% thereof, will be paid.
- 27.4** Civil matters: Whatever is taxable on the appropriate scale as between party and party will be paid.
- 27.5** Labour matters: Whatever is taxable on the appropriate scale as between party and party, as if the matter was in the Magistrate's Court, on Scale B of the tariff for defended actions will be paid.
- 27.6** Opponent's fees: Opponents fees which are taxed pursuant to an appropriate order of court will be paid.
- 27.7** Expert's fees: The fees of experts who are essential to prove your case will be paid, provided that our prior written consent is obtained, and provided that such fees are taxable and do not exceed what is allowed on taxation.
- 27.8** Execution: If judgment is obtained, the taxable costs for the service of a single writ of execution, or emoluments attachment or garnishee order will be paid. The costs of a security firm to accompany the Sheriff are not covered. Only one execution attempt is allowed.