

TERMS AND CONDITIONS

The Insurer undertakes to indemnify the Insured for Legal Cost relating to a Legal Proceeding arising from an Insured Event which arises after the Date of Cover, subject to the Policy.

1. DEFINITIONS

“**Administrator**” means Legalex (Pty) Ltd, registration number 2003/003715/07.

“**Attorney**” means a practising attorney appointed by the Insurer or the Administrator to represent the Insured in a Legal Proceeding.

“**Children**” means the biological-, adopted- or foster children of the Insured or his/her spouse.

“**Claim**” means the process whereby the Insured applies for Cover by means of the prescribed Claim Form.

“**Claim Form**” means the Administrator’s prescribed form whereby Claims are submitted, inclusive of relevant information, documentation, evidentiary material and annexures.

“**Cover**” means indemnification of the Insured for Legal Cost, as defined hereunder.

“**Cover Limit**” means the limitation in money value of the Cover per Legal Proceeding or per Year, as particularized in the Policy Schedule.

“**Date of Cover**” means the date of receipt of the third Premium by the Insurer, except in Legal Proceedings relating to unopposed divorces, marital and family law where Cover is given from receipt of the sixth Premium. Nominees’ Date of Cover is similarly calculated from date of nomination.

“**Insured**” means the person (in his/her personal capacity) or entity (as the case may be) in favour of whom this Policy is issued.

“**Insured Event**” means any unforeseeable event which serves as a cause of action for a Legal Proceeding, except events excluded in this Policy.

“**Insurer**” means Guardrisk Insurance Company Limited, registration number 1992/001639/06.

“**Legal Cost**” means professional fees and expenses, reasonably charged or incurred by an Attorney for representation of the Insured in a Legal Proceeding arising from an Insured Event, except costs excluded in this Policy.

“**Legal Proceeding**” means any legal process, except legal processes excluded in this Policy.

“**Nominees**” means the Insured’s spouse and their children under the age of 21 years, nominated in writing by the Insured to the Insurer.

“**Policy**” means the insurance contract between the Insured and the Insurer embodied in the Terms and Conditions and the Policy Schedule.

“**Policy Date**” means the date of receipt of the first Premium by the Insurer.

“**Policy Schedule**” means the document attached hereto, whereby the type of Policy is identified and the scope of benefits and Cover to which the Insured is entitled, are specified.

“**Premium**” means the amount payable by the Insured to the Insurer, as specified in the Policy Schedule.

“**Spouse**” means the person to whom the Insured is legally married, as well as any life partner.

“**Terms and Conditions**” means this document.

“**Year**” means the period of time calculated from date of receipt of the first Premium to the last day of the month of receipt of the twelfth Premium and every similar period of receipt of every twelfth Premium thereafter.

2. WHO IS COVERED?

Cover is given to:

- 2.1 the Insured; and
- 2.2 in the case of a family policy, also the Insured’s Nominees; and
- 2.3 in the case of a business policy, the Insured business.

3. PERIOD OF COVER

- 3.1 The Policy incepts on the Policy Date.
- 3.2 Unless stated to the contrary in the Policy, Cover is given from the Date of Cover.
- 3.3 The Insured is entitled to utilization of benefits relating to the Policy (other than Cover) from the Policy Date.

4. MAXIMUM COVER

Cover is given for the Insured's Legal Cost, subject to:

- 4.1 the maximum Cover Limit per Legal Proceeding, as specified in the Policy Schedule; and
- 4.2 the maximum Cover Limit per Year, as specified in the Policy Schedule;
- 4.3 with the understanding that the Cover Limit per Legal Proceeding or per Year are not cumulative and are not transferred to another Legal Proceeding or a following Year.

5. WHAT IS NOT COVERED?

No Cover is given for the following Legal Cost:

- 5.1 incurred or payable outside the borders of the Republic of South Africa;
- 5.2 covered by any other insurance;
- 5.3 directly or indirectly arising from the Insured's failure to inform the Insurer and/or the Administrator, without delay, of the occurrence of an Insured Event or a Legal Proceeding;
- 5.4 arising from the Insured's failure to follow the advice of the Insurer, Administrator, Attorney or any of their service providers;
- 5.5 arising from the Insured's failure to inform the Insurer, without delay, of any applicable due dates or special circumstances relating to any Legal Proceeding or Insured Event;
- 5.6 arising from the Insured's failure to timeously disclose all relevant information relating to a Legal Proceeding or Insured Event to the Insurer;
- 5.7 which increases due to the conduct of the Insured and which could otherwise have been avoided;
- 5.8 which exceeds the party-and-party scale of prevailing court tariffs;
- 5.9 of any person or entity other than an Attorney appointed by the Insurer or Administrator;
- 5.10 any liability other than Legal Cost, including but not limited to: fines, judgments, taxes, levies, tracing fees, witness fees, travel- and subsistence costs, court orders, damages or cost orders against the Insured.

6. WHICH EVENTS ARE COVERED?

- 6.1 Cover is granted for Legal Cost arising from Insured Events occurring after the Date of Cover.
- 6.2 Subject to the Terms and Conditions, such events include breach of contract, unlawful actions and commitment of crimes by and against the Insured.

7. WHICH EVENTS ARE NOT COVERED?

No Cover is given for Legal Cost arising from any of the following events:

- 7.1 which occurs prior to Date of Cover; or
- 7.2 whereof the Insured, before Date of Cover, has knowledge or reasonably, in the opinion of the Insurer or Administrator, could or should have had knowledge, the duty whereof to prove the date of such event and/or knowledge thereof, rests on the Insured;
- 7.3 which occurs outside the borders of the Republic of South Africa;
- 7.4 which gives rise to any Legal Proceeding against the Insurer, Administrator, Attorney or any of their service providers;

- 7.5 relating to the Insured's occupation or profession, unless Cover is given under a business policy, as specified in the Policy Schedule;
- 7.6 relating to decrees of divorce issued prior to Date of Cover;
- 7.7 access to or maintenance of children born out of wedlock prior to Date of Cover;
- 7.8 amendment of matrimonial property dispensation of marriages entered into prior to Date of Cover;
- 7.9 arising from intentional or vexatious actions by the Insured;
- 7.10 defamation, libel and associated matters;
- 7.11 which occurs while the Insured is under the influence of alcohol or any debilitating substance;
- 7.12 relating to land claims, water claims, political activity or events covered under SASRIA insurance;
- 7.13 relating to business or commercial activities, unless Cover is given under a business policy, as specified in the Policy Schedule;
- 7.14 internal disputes between partners, members, shareholders or directors of the Insured;
- 7.15 traffic offences where the Insured has the option to pay an admission of guilt fine;
- 7.16 the driving of a motor vehicle where such vehicle:
 - 7.16.1 is driven without a valid driver's licence; or
 - 7.16.2 is driven by the Insured or any Nominee without the consent of the owner thereof; or
 - 7.16.3 is not insured in accordance with any law or regulation; or
 - 7.16.4 is not licenced; or
 - 7.16.5 is not in a roadworthy condition;
- 7.17 relating to the interests of the general public or community or interest groups;
- 7.18 civil unrest, strikes, lock-outs, public disorder or civil disobedience;
- 7.19 war, civil war, occupation or hostile conduct;
- 7.20 mutiny, military upheaval, uprising, rebellion, revolution, martial law, coups dé etat or declared state of emergency;
- 7.21 conduct by any person, group of persons or organization aimed at overthrowing or influencing the state, government, provincial, local or other authority;
- 7.22 conduct by any person, group of persons or organization aimed at achieving any political goal or economic or social change or in protest against the state, government, provincial, local or other authority;
- 7.23 legal or authorized conduct by any authority;
- 7.24 crimes committed with intention or pre-meditation where the consequences could or should have been foreseen; and
- 7.25 any attempt to any of the above.

8. WHICH LEGAL PROCEEDINGS ARE COVERED?

Unless stated to the contrary herein, Cover is given to the Insured or (as the case may be) the Nominees for the following Legal Proceedings:

- 8.1 all civil and criminal Legal Proceedings;
- 8.2 ante-nuptial contracts and unopposed divorces, where the Insured Event occurs after receipt of the sixth Premium by the Insurer.

9. WHICH LEGAL PROCEEDINGS ARE NOT COVERED?

No Cover is given for Legal Cost of the following Legal Proceedings:

- 9.1 conducted outside the borders of the Republic of South Africa;
- 9.2 labour law matters;
- 9.3 which are conducted or are capable of being conducted in the small claims court;
- 9.4 administrative matters which are not Legal Proceedings, such as the reconciliation and dispute of accounts;
- 9.5 appeals, reviews and proceedings of tribunals and commissions of enquiry;
- 9.6 patents, trademarks, designs, copyright and other forms of intellectual property rights;
- 9.7 specialized legal disciplines in which an Attorney in general practice is not entitled to intervene;

- 9.8 the transfer, subdivision or consolidation of immovable property or any encumbrance or cancellation of any encumbrance thereof;
- 9.9 proceedings where the Insured is represented by the state or an appointed official;
- 9.10 administrations, sequestrations, liquidations, rehabilitations, compromises, debt review and business rescue;
- 9.11 relating to opposed divorces, family violence or infidelity;
- 9.12 between the Insured and any Nominee or Nominees amongst themselves, unless stated to the contrary herein;
- 9.13 debt collection where Cover is enjoyed under a business policy, as specified in the Policy Schedule;
- 9.14 which is dependent on the institution of preceding statutory prescribed processes, unless such processes are finalized.

10. ADDITIONAL BENEFITS

In addition to the Cover granted by the Insurer, the Insured is entitled to the following other benefits, if so specified in the Policy Schedule.

- 10.1 The Insured is entitled to use of the telephonic legal advisory service from the Policy Date, irrespective whether the matters it relates to arose prior to or after Date of Cover, but limited to South African Law.
- 10.2 The Insured is entitled to access to standard legal documentation from the Policy Date, but excluding the drafting or amendment of any legal documentation for any specific purpose or application.
- 10.3 The perusal of legal documentation and the rendering of opinion thereon is limited to telephonic legal advice.
- 10.4 The Insured is entitled to use of the bail service benefit (if specified in the Policy Schedule) from the Date of Cover.

11. CLAIMS

- 11.1 Upon arising of a Legal Proceeding pursuant to an Insured Event, the Insured will inform the Insurer in writing thereof by submission of a Claim Form, which is available upon request or by download from www.legalex.co.za.
- 11.2 The Claim Form will be submitted to the Insurer as soon as possible, unless submission of a Claim Form is impossible due to reasons of urgency under the circumstances, in which event, such Claim Form will be submitted as soon as is practicable thereafter.
- 11.3 In any event, the Claim Form will be submitted to the Insurer within thirty days from date of arising of the Legal Proceeding, failing which Cover for such Legal Proceeding will lapse.
- 11.4 The Claim Form will contain all relevant particulars of the Legal Proceeding and the Insured Event, together with all substantiating evidence, including proof of values, as well as information reasonably requested by the Insurer.
- 11.5 Should the Insurer request any additional information or supporting evidence, the Insured will provide same within thirty days from date of such request, failing which Cover for such Legal Proceeding will lapse.
- 11.6 Claims will be considered and determined by the Insurer as soon as possible, and the duty rests on the Insured to inform the Insurer in writing of any due dates or grounds for urgency which may be applicable to the Claim or the Legal Proceeding.
- 11.7 The Insured will be notified in writing of the determination in respect of every Claim.
- 11.8 Should the Insured feel aggrieved by any determination for whatsoever reason, the Insured may, in addition to any other remedy at his disposal, within 90 days after receipt of a repudiation notice, make written representation for reconsideration by the Insurer on the Administrator's prescribed form, which is available upon request.

12. COVER CONDITIONS

- 12.1 The Attorney will advise the Insured in respect of the Legal Proceeding and no Cover will be granted if the Legal Proceeding is conducted in conflict with the advice of the Attorney.
- 12.2 Should the Insured fail to comply with the Terms and Conditions, no Cover will be granted or (as the case may be) will be suspended for the duration of such failure.
- 12.3 No Cover is granted in respect of the same, similar or recurring Legal Proceeding for which Cover has been granted previously.
- 12.4 Should Cover be granted for a Legal Proceeding and the Insured abandons or withdraws the Legal Proceeding, no further Cover will be granted for the same or a similar Legal Proceeding arising from the same or similar Insured Event.
- 12.5 In the event of a criminal offence where the Attorney is of the opinion that the Insured has no viable defence, Cover will be limited to the Legal Cost reasonably associated with mitigation of judgment.
- 12.6 In the event of a civil Legal Proceeding where the Attorney is of the opinion that the Insured has no reasonable chance of success, Cover will be limited to the Legal Cost reasonably associated with settlement of the Legal Proceeding.
- 12.7 No further Cover is granted if, in the opinion of the Attorney, any reasonable offer of settlement of the Legal Proceeding is rejected by the Insured.
- 12.8 Insofar as the Insured successfully collects any money from the other party to the Legal Proceeding, same will be paid to the Insurer, up to an amount equivalent to the Legal Cost paid by the Insurer.
- 12.9 The Insured cedes to the Insurer, all claims which the Insured may have against the other party(ies) to the Legal Proceeding, up to an amount equivalent to the Legal Cost paid by the Insurer.
- 12.10 Should the Insured obtain or seek to obtain any benefits or Cover in a dishonest or fraudulent manner, including by failing to disclose relevant information or documentation, no Cover will be given and all Legal Cost expended will be refunded by the Insured to the Insurer.

13. PREMIUMS

- 13.1 Premiums are paid monthly in advance at such time and in such manner as may be agreed between the Insurer and Insured, failing which Premiums are payable monthly in advance by debit order on the first day of every month.
- 13.2 It is the Insured's responsibility to ensure that the Premium is received by the Insurer.
- 13.3 Without limitation to the aforementioned, the Insurer and/or Administrator will notify the Insured of any unpaid Premium within fifteen days after the Insurer and/or Administrator became aware of such non-payment.
- 13.4 The Insured will pay the arrear Premium on or before the date on which the following Premium is payable.
- 13.5 Should two consecutive Premiums remain unpaid, the Policy will cancel automatically, in which event the Insurer will dispatch written confirmation of such cancellation to the Insured.
- 13.6 Should the Insured pay all arrear Premiums within a period of thirty days thereafter, the Policy will be reinstated, as if no cancellation occurred.
- 13.7 During any period of non-payment of Premium, Cover and consideration of claims are suspended for the duration of such period of non-payment, until all Premiums are paid in full.
- 13.8 Premiums are subject to annual increase on the anniversary of the Policy Date, whereof thirty-one days written notice will be given to the insured.
- 13.9 Should the Insured be a VAT vendor desirous to deduct the VAT component of the Premium as input tax, then the Policy will serve as a tax invoice for purposes thereof, subject to the Premiums being paid in full and the Insured remaining in possession of the Policy documentation as well as proof of payment (example bank statements) of Premium.

14. CANCELLATION

- 14.1 The Policy may be cancelled with thirty one days prior written notice by the Insurer or the Insured.
- 14.2 Without limitation to the foregoing, the Policy will be cancelled automatically upon non-payment of two consecutive Premiums.
- 14.3 Unless stipulated to the contrary herein, no cancelled Policy will be reinstated.
- 14.4 Upon cancellation of a Policy, for whatever reason, Cover will cease on the last day of the period of insurance for which the last Premium is paid.

15. DISCLOSURE OF INFORMATION

- 15.1 The Insured will provide the Insurer with such information as may reasonably be required from time to time in order to comply with this Policy.
- 15.2 Should the Insured's personal or contact particulars or Nominees change, the Insured will inform the Insurer and/or Administrator thereof in writing, within thirty days of occurrence of such change.
- 15.3 The Insured consents to the Insurer obtaining full access to information relevant to any Legal Proceeding and hereby authorizes the Insurer and Attorney to unrestricted exchange of information, with waiver of any privilege which the Insured would otherwise enjoy.
- 15.4 The Insured consents to the Insurer and/or Administrator being entitled to utilization of the Insured's information for any reason whatsoever, including statutory compliance, statistical analysis, risk assessment and marketing.

16. INDEMNITY

The Insured hereby indemnifies and holds harmless the Insurer, Administrator, Attorney and their service providers in respect of any and/or all damages, including consequential damages, arising from:

- 16.1. any failure to provide the Insurer and/or Administrator timeously with information, including the updating of changed personal and contact particulars;
- 16.2 utilization of any benefits associated with the Policy, including obtaining telephonic legal advice or legal documentation;
- 16.3 the handling, consideration and determination of any Claim;
- 16.4 failure to timeously disclose any due dates to the Insurer, Administrator, Attorney or their service providers, including dates of prescription of Insured Events or Legal Proceedings.
- 16.5 any conduct of the Attorney, including handling of any Legal Proceeding.

17. GENERAL CONDITIONS

- 17.1 The Policy is the full agreement between the Insurer and Insured in respect of the subject matter thereof.
- 17.2 Amendments to the Policy will be reduced to writing and dispatched with thirty days prior written notice to the Insured, with the understanding that Claims will be considered against the Policy as it was at the date of arising of the Legal Proceeding.
- 17.3 No representations were made to the Insured, other than those contained in the Policy.
- 17.4 Should any representations in conflict with the Policy have been made to the Insured by the Insurer, Administrator or their service providers, the Insured is entitled to, within thirty days from date of receipt thereof or the Policy Date (whichever occurs first) cancel the Policy and to be refunded all amounts paid to the Insurer.
- 17.5 Should any irreconcilable conflict exist between these Terms and Conditions and the Policy Schedule, the contents of the Policy Schedule will prevail.
- 17.6 The Policy will be interpreted in accordance with the law and statutes of the Republic of South Africa.
- 17.7 Words denoting the singular include the plural, and *vice versa*.