

PROFESSIONAL INDEMNITY FOR HAIRDRESSERS

DEFINED EVENTS

Damages which the Insured shall become legally liable to pay as a result of any actual or alleged (other than by the Insured) negligent act, error or omission committed in the performance of the Professional Duties of the Insured undertaken in the course of or in connection with the Business on or after the Retroactive date shown in the Schedule, and which results in a claim or claims first being made against the Insured in writing during the Period of Insurance.

DEFINITIONS

Business

The business of the Insured as stated in this policy's schedules.

Costs and Expenses

Costs, charges, expenses and legal costs recoverable from the Insured by a claimant or any number of claimants or incurred by the Company or incurred by the Insured with the Company's prior consent:

1. in the defence or settlement of any claim under this section of the Policy or any action or prosecution brought against the Insured in respect of Injury or Damage or other liability as insured in terms of this Section of the Policy.
2. in the representation at any inquest or accident inquiry in respect of Injury which may form the subject of indemnity under this Section of the Policy and/or in defending any proceedings in a Court of applicable jurisdiction in respect of matters which may form the subject of indemnity by this Section of the Policy.

Documents

Bonds, debentures, scrip certificates, deposit receipts, transfers, coupons, warrants, bills of exchange, promissory notes, title deeds, powers of attorney, deeds, wills, agreements, maps, plans, records (whether on paper, microfilm, magnetic tape, disc or data storage of any kind) and written and printed documents and forms of any nature, belonging to the Insured or for which the Insured is responsible in connection with the "Business".

Insured

1. the Company, Partnership, Close Corporation, Association or Person named in the Schedule (hereinafter in this definition referred to as the "Insured");
2. any present (including appointments made during the Period of Insurance) or former Director, Partner, Member or Principal of the Insured;
3. any present or former employee of the Insured in respect of the Professional Duties or activities that are conducted within the course and scope of that employee's employment with the Insured contemplated in 1 above;

Professional duties

The activities and duties which would fall within the normal scope of duties performed by a professionally qualified person properly registered and/or certified in terms of the current applicable Act/s that governs the Business.

LIMITS OF INDEMNITY

The amount payable, inclusive of any Costs and Expenses, for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed the Limit of Indemnity stated in the Schedule against "Limit of indemnity (per event)" or "Limit of indemnity (per period of insurance)" if there are multiple claims during one (annual) Period of Insurance. .

Where one act, error or omission results in more than one claim against the Insured all such claims shall jointly constitute one claim under this policy.

In the event of any one originating cause giving rise to a claim or series of claims which form the subject of indemnity by more than one extension of this Section, each extension shall apply separately and be subject to its own separate Limit of Indemnity provided always that the total amount of the Company's liability shall be limited to the highest Limit of Indemnity available under any one of the Extensions affording indemnity for the claim or series of claims.

Where more than one Period of Insurance of this Policy, following its renewal or replacement may apply to an originating cause or source, the Company's liability will be limited to the maximum Limit of Indemnity for any one such Period of Insurance. If the premium is paid monthly by debit order, the words "for any one such Period of Insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

If the limit of indemnity is increased during the Period of insurance the liability of the Company in respect of claims made against the Insured or for circumstances notified or which should have been notified, to the Company prior to such increase, shall not exceed the limit of indemnity applicable prior to such increase.

SPECIFIC EXCLUSIONS

The Company will not indemnify the Insured in respect of:

1. Employees

liability consequent upon death of or bodily injury to or any illness or disease sustained by any person under a contract of employment or apprenticeship with the Insured where such death, injury, illness or disease arises from and in the course of employment by the Insured.

2. Property

any claim arising out of the loss of or damage to property of whatsoever nature whether belonging to the Insured or held in trust by them including the resultant loss of use of that lost or damaged property and consequential losses resulting therefrom.

3. Breach of contract

any claim arising from breach of contract unless such breach is a breach or alleged breach of Professional Duty by the Insured or any other person upon whom the Insured has placed reliance;

4. Liability assumed by Insured

any liability relating to a duty or obligation assumed by the Insured by way of warranty, guarantee, contract, indemnity or hold harmless agreement unless such liability would have attached to the Insured notwithstanding such assumed duty or obligation;

5. Directors and officers

any claim arising from the activities as a director or officer of any company unless that liability would have arisen if the Insured had not held that position as a director or officer of the company.

6. Documents

any costs of replacing or restoring Documents;

7. Computer data

any claim arising out of loss of or distortion of computer data due to:

- 7.1 the presence of magnetic flux;
- 7.2 defects in the data tapes or other data media;
- 7.3 use or processing whilst mounted in or on any machine;
- 7.4 wear, tear, vermin or gradual deterioration;
- 7.5 climatic or atmospheric conditions or extremes of temperature;

8. Product liability

any claim where damage or injury is directly or indirectly caused by property manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the Insured.

9. Money and theft

any claim arising out of :

- a) loss of money (including, but not limited to postal and money orders and Kruger Rands);
- b) theft or forgery;

10. Defamation

any claim arising out of defamation;

11. Dishonest, criminal or malicious acts

any liability or claim brought about or contributed to by the dishonest, criminal or malicious act or omission committed by or on behalf of the Insured;

12. Associated, parent subsidiary companies

any claim made against the Insured by any associated, parent or subsidiary company or by any person or entity having a financial or executive interest in the Insured unless emanating directly from an independent third party;

13. Insolvency, liquidation or judicial management

any claim arising from or due to the insolvency, liquidation or judicial management of the Insured or of any party who enters into an agreement with the Insured;

14. Trading losses or liabilities

any claim arising out of or in connection with any trading losses or trading liabilities incurred by any Business managed by or carried on by the Insured

15. Influence of intoxicants or narcotics

any claim arising from services rendered while under the influence of intoxicants or narcotics.

16. Failure to effect or maintain insurance

any claim as a result of failure to effect or maintain insurance;

17. Other insurance

any claim which the Insured is entitled to indemnity under any other insurance and this policy shall not be called into contribution with such other insurance, except in respect of any excess beyond the amount payable under such Insurance.

18. USA and/or Canada

liability arising from the conduct of the Business in the United states of America and/or Canada

19. Investments and other financial transactions

any claim arising from or contributed to by depreciation (or failure to appreciate) in value of any investments, including securities, commodities, currencies, options and futures transactions, or as a result of any actual or alleged representation, guarantee or warranty provided by or on behalf of the Insured as to the performance of any such investments.

It is agreed, however, that this exclusion shall not apply to any loss due solely to negligence on the part of the Insured or employee of the Insured in failing to effect a specific transaction in accordance with the specific prior instructions of a client of the Insured;

20. Pollution

any claim arising out of or relating directly or indirectly to or in consequence of seepage, pollution or contamination of any kind, save that this exclusion will not apply to any loss or any claim which arises from a breach of duty in the performance (or failure to perform) of any Professional Duties.

21. Fines, penalties and similar damages

any fines, penalties, punitive, exemplary or vindictive damages.

22. Jurisdiction

any damages in respect of judgements, award or settlement made within the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part).

23. Events known to the Insured

any claim arising from an event known to the Insured:

23.1 which is not reported to the Company in terms of General Condition 6;

23.2 prior to inception of this section or inception of any extension under this section.

24. First amount payable

the first amount payable. The Insured shall be responsible for the first amount payable as stated in the Schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or originating cause or source. The provisions of this clause shall apply to all claims including claims for Costs and Expenses. It is understood and agreed that if any expenditure is incurred by the Company which, by virtue of the first amount payable, is the responsibility of the Insured, then such expenditure shall be forthwith reimbursed by the Insured.

25. Deliberate or intentional acts

liability arising out of the deliberate, conscious or intentional disregard by the Insured's management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim.

26. Unlawful competition

any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act no. 89 of 1998 (as amended) or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the Insured's liability arose.

27. Specific treatments

any claim for damages arising from any treatment involving the cutting or puncturing of the skin.

28. Learners or apprentices

any claim for damages caused by an apprentice or learner unless such apprentice or learner is working under the direct supervision of a qualified hairdresser.

SPECIFIC CONDITIONS

1. Claims first made in writing against the Insured

Any claim first made in writing against the Insured as a result of a Defined Event reported in terms of General condition 6 (hereinafter termed "reported event") shall be treated as if it had first been made against the Insured on the same day that the Insured reported the event to the Company.

2. Reporting of events after cancellation or non-renewal of policy

In the event of cancellation or non-renewal of the policy, the Insured may report an event in terms of General condition 6 to the Company within 30 days after expiry of the Period of Insurance provided such event occurred during the Period of Insurance.

3. Series of claims from one originating cause

Any series of claims made against the Insured by one or more than one claimant during any Period of Insurance consequent upon one event or series of events with one originating cause or source shall be treated as if they all had first been made against the Insured:

3.1 on the date that the event was reported by the Insured in terms of General condition 6;

or

3.2 if the Insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the Insured.

4. Record keeping

The Insured shall at all times maintain accurate descriptive records of all Professional Duties and services which records shall be made available for inspection and use by the Company or their duly appointed representatives insofar as they pertain to any claim under this policy.

5. Testing of dye or treatments

Any dye or other treatment must be tested as required or recommended by the manufacturers, distributors or supplier of such dye or treatment. If such test should in the discretion of the Company prove unsatisfactory, the Company shall not be liable in respect of any claim for damages arising from such dye or treatment, other than damages arising from the test.

6. Supervision of learners or apprentices

All apprentices or learners must work under the direct supervision of a qualified hairdresser.

CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is

amended or extended as set out below under each extension and clause subject to any limits of indemnity or first amounts payable stated in the schedule under each extension.

Acquisitions and new businesses

The indemnity granted by this section of the Policy extends to any company formed and/or acquired by the Insured during the Period of Insurance for a period of 90 days of such formation and/or acquisition.

Provided always that

1. the Retroactive Date in respect of such new company shall be deemed to be the date when a newly formed and/or acquired company first purchased liability insurance of the type hereby insured on a "Claims Made" basis, subject to a declaration from the newly acquired company's previous management of no known or reported claims or circumstances likely to give rise to a claim at the date of acquisition. In the event of no such declaration, the Retroactive Date shall be the date of such acquisition;
2. the Insured's business activities remain unchanged;
3. the annual turnover of all newly formed and/or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the Insured as advised to the Company at inception date or renewal date hereof as the case may be ;
4. the Insured shall advise the Company of such formations and/or acquisitions before the expiry of 90 days thereof and the Company may amend the terms of this section of the Policy accordingly.