

# ATTORNEYS INSURANCE INDEMNITY FUND

(Association Incorporated under Section 21) (Reg. No. 93/03588/08)

**Claims Managers & Administration:** 288 Kent Avenue, Randburg 2194  
P O Box 2544 Randburg 2125, Docex 34 Randburg  
Tel: (011) 329 1111, Fax (011) 329 1984  
Website: www.aiif.co.za

**Prescription Alert:** 6<sup>th</sup> Floor, 28 Wale Street, Cape Town  
P O Box 3062, Cape Town 8000, Docex 149  
Tel (021) 422 2830 Fax (021) 422 2990  
Email: info@aiif.co.za,

17 July 2009

## THE SENIOR PARTNER

Dear Sir/Madam

## ATTORNEYS FIDELITY FUND PROFESSIONAL INDEMNITY INSURANCE SCHEME

### NEW OPTIONS REGARDING PROFESSIONAL INDEMNITY COVER TO BE INTRODUCED WITH EFFECT FROM 01 JULY 2009

The Attorneys Fidelity Fund Professional Indemnity Insurance Scheme affords a certain level of free professional indemnity cover to all attorneys practising in South Africa in terms of the Attorneys Act 53 of 1979 (as amended). The liabilities of this scheme are underwritten by the **Attorneys Insurance Indemnity Fund**.

The details of the cover are contained in an annually renewable policy document, which comes into force on **01 July** of each year and expires on **30 June** of the following year.

The limits of indemnity and deductibles (excesses) are determined by the number of partners that constitute the insured practice on the date that the alleged cause of action arose, in accordance with the schedule to the applicable policy document.

A number of practitioners have expressed the concern that the existing deductibles are high particularly in respect of practitioners who are not at risk for claims which are likely to require high levels of professional indemnity cover.

In order to accommodate these concerns and in an attempt to meet the requirements of **all** practitioners, the Attorneys Insurance Indemnity Fund has agreed to again offer practitioners a choice of one of the following three options for the **2009 / 2010** year:

#### OPTION 1. Current Limits of Indemnity and Deductibles

PRINCIPALS IN PRACTICE	LIMITS OF INDEMNITY	DEDUCTIBLE	DEDUCTIBLE MVA
1	1 562 500	20 000	35 000
2	1 562 500	36 000	63 000
3	1 562 500	48 000	84 000
4	1 562 500	60 000	105 000
5	1 562 500	72 000	126 000
6	1 562 500	84 000	147 000
7	1 640 625	96 000	168 000
8	1 875 000	108 000	193 000
9	2 109 375	120 000	210 000
10	2 343 750	132 000	231 000
11	2 578 125	144 000	252 000
12	2 812 500	156 000	273 000
13	3 046 875	168 000	294 000
14 +	3 125 000	180 000	315 000

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## OPTION 2. 50% Reduction on Current Limits of Indemnity and Deductibles

PRINCIPALS IN PRACTICE	LIMITS OF INDEMNITY	DEDUCTIBLE	DEDUCTIBLE MVA
1	781 250	10 000	17 500
2	781 250	18 000	31 500
3	781 250	24 000	42 000
4	781 250	30 000	52 500
5	781 250	36 000	63 000
6	781 250	42 000	73 500
7	820 312	48 000	84 000
8	937 500	54 000	94 500
9	1,054 681	60 000	105 000
10	1,171 875	66 000	115 500
11	1,289 062	72 000	126 000
12	1,406 250	78 000	136 500
13	1,523 437	84 000	147 000
14 AND ABOVE	1,562 500	90 000	157 500

## OPTION 3. 75% Reduction on Current Limits of Indemnity and Deductibles

PRINCIPALS IN PRACTICE	LIMITS OF INDEMNITY	DEDUCTIBLE	DEDUCTIBLE MVA
1	390 625	5 000	8 750
2	390 625	9 000	15 750
3	390 625	12 000	21 000
4	390 625	15 000	26 250
5	390 625	18 000	31 500
6	390 625	21 000	36 750
7	410 156	24 000	42 000
8	468 750	27 000	47 250
9	527 344	30 000	52 500
10	585 938	33 000	57 750
11	644 531	36 000	63 000
12	703 125	39 000	68 250
13	761 719	42 000	73 500
14 AND ABOVE	781 250	45 000	78 750

**Note:** Limits of Indemnity are on the basis of an aggregate amount per practice (i.e. maximum amount of cover per practice per year), with applicable deductibles per practice in respect of every claim.

**(It should be noted that, as before, if Prescription Alert has not been utilised and adhered to by the practitioner, the applicable MVA deductible will be increased by an additional 15%.)**

In selecting one of the options it is important to note that the limit of indemnity afforded by the scheme is provided on an aggregate basis and does not apply individually to each and every claim made against a particular legal practice. This means that practitioners who decide to take advantage of option two or three must be prepared to assume the risk that the sum total of all the claims made against them in the forthcoming year of insurance may exceed their reduced limit of indemnity.

The relevant option must be exercised prior to **30 July 2009** and will only apply to claims dealt with in terms of the policy applicable to the period **01 July 2009** to **30 June 2010**.

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Should your firm wish to avail itself of options 2 or 3, then you are requested to **complete and sign the attached form** and return it to the managers of the Attorneys Fidelity Fund Professional Indemnity Insurance Scheme.

The details of the scheme managers are as follows:

**Glenrand MIB Professional Services**

**P O Box 2544**

**Docex 34**

**Randburg**

**Randburg**

**2125**

**Fax no.:**

**(011) 329 1984**

**Telephone no.:**

**(011) 329 1140 (Thomas Harban)**

**(011) 329 1779 (N van Tonder)**

**Kindly note that the enclosed form should only be completed if you wish to choose either option 2 or 3.**

**If you decide not to exercise either option 2 or 3 then the existing limits of indemnity and deductibles in option 1 will automatically apply to any claim made during the currency of the forthcoming year of insurance.**

Yours faithfully



**THOMAS HARBAN  
CLAIMS MANAGER  
ATTORNEYS INSURANCE INDEMNITY FUND**

**DIRECTORS:** M J Husain (Chair), E M Southey (Vice-Chair), A W Mansfield (Managing), X M Boqwana, M de Roos, H K Dlepu, C P Fourie, E A Moolla, A F W Peters, A Tate  
**CLAIMS MANAGER:** TM Harban

**REGISTERED ADDRESS:** 6<sup>TH</sup> Floor, 28 Wale Street, Cape Town, 8001

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ATTORNEYS INSURANCE INDEMNITY FUND  
C/O GLENRAND MIB PROFESSIONAL SERVICES  
P O BOX 2544 DOCEX 34  
RANDBURG RANDBURG  
2125

**FAX NO.:** (011) 329 1984  
**TELEPHONE NO.:** (011) 329 1779/1140

## ATTORNEYS INSURANCE INDEMNITY FUND

### OPTION TO REDUCE LIMIT OF INDEMNITY/DEDUCTIBLE APPLICABLE TO 2009 / 2010 ATTORNEYS FIDELITY FUND PI SCHEME POLICY

I, the undersigned \_\_\_\_\_  
In my capacity as \_\_\_\_\_  
Of the attorneys firm \_\_\_\_\_  
Address (docex/postal) \_\_\_\_\_  
Telephone \_\_\_\_\_ fax \_\_\_\_\_

duly authorized hereto, hereby notify the Attorneys Insurance Indemnity Fund of the firm's acceptance of the reduced limit of indemnity/deductible option which has been made available in respect of the 2005 / 2006 scheme policy.

This firm presently consists of \_\_\_\_\_ (*number of partners*) partners/directors **whose names are annexed hereto.**

I elect to take option number 2 / 3 (**circle the chosen option**).

I understand and accept that should any professional indemnity claims be made by my firm during the currency of the abovementioned policy then my firm's entitlement to an indemnity will be restricted to the chosen portion of the indemnity set out in the schedules to the abovementioned policy. I also understand and accept that the deductible/s (excesses) applicable to my firm will be reduced proportionately.

THUS SIGNED AT \_\_\_\_\_ ON THIS THE \_\_\_\_\_ DAY OF

\_\_\_\_\_  
**2009.**

#### **WITNESSES**

1. \_\_\_\_\_

\_\_\_\_\_  
WHO BY HIS/HER SIGNATURE  
WARRANTS HIS/HER AUTHORITY

2. \_\_\_\_\_