



TENDER NO.: SC 2188/2021

**UNDERWRITING AND MANAGEMENT OF THE SHORT-TERM INSURANCE
PORTFOLIO OF THE OVERSTRAND MUNICIPALITY FOR A CONTRACT
PERIOD ENDING 30 JUNE 2024**

ADDITIONAL INFORMATION

- 1. DIRECTORS & OFFICER PROPOSAL FORM**
- 2. FIDELITY GUARANTEE FORM**
- 3. DRONE INSURANCE PROPOSAL FORM**
- 4. MARINE & AIRCRAFT DETAIL LIST**
- 5. OTHER**

1. DIRECTORS & OFFICER PROPOSAL FORM

PROPOSAL FORM

Directors and Officers Liability Insurance

1. MAIN CONTACT REGARDING THIS RISK ASSESSMENT

1.1. Name and Surname	Johannes Vorster
1.2. Position	Snr Manager: Expenditure & Assets
1.3. Phone number	028 - 313 8046
1.4. E-Mail address	jvorster@overstrand.gov.za

2. COMPANY OVERVIEW

2.1. Company name	Overstrand Municipality
2.2. Principal address	1 Magnolia Sttreet, Hemanus, 7200
2.3. Postal address	P O Box 20, Hemanus, 7200
2.4. Phone number	028 - 313 8000
2.5. VAT registration number	4140 106 396
2.6. Company registration number	N/A
2.7. Website	WWW.OVERSTRAND.GOV.ZA
2.8. Date of Incorporation and subsequent re-registration/ name changes	N/A
2.9. Financial year end	30 June
2.10. Total Revenue	Refer to AFS
2.11. Total Assets	Refer to AFS
2.12. Principal activities	Local Government

2.13. Type of organisation

Local Government.

☐ Sole Proprietor
 ☐ Private Company – (Pty) Ltd
☐ Personal Liability Company – Inc.
 ☐ Public Company – Ltd
☐ State Owned Company – SOC
 ☐ Non-Profit Company – NPC

2.14. Are any of the Company's subsidiaries to be included (shared limit)? ☒ No ☐ Yes

If YES, please provide the following details

Subsidiary	% Owned	Date Created	Country of Incorporation
N/A			

For the balance of proposal form, questions must be answered in such a way as to disclose information pertaining to subsidiaries also.

Insurers will not be held liable for the proposer's failure to comply with local insurance regulations in territories outside of South Africa in which they operate. Accordingly, claims payment will be in local territory only if non-admitted coverage is permissible. Claims payment will be subject to legal permissibility of coverage in territory

2.15. Is the Company party to any joint venture arrangement or partnership agreement?

☒ No

☐ Yes

If YES, please attached details including Partnership Agreements

3. DETAILS OF OWNERSHIP

3.1. Is the Company itself a subsidiary?

☒ No

☐ Yes

If YES, please provide name of the ultimate holding company and country of incorporation

3.2. Shareholder details

i. Total number of shareholders

N/A

ii. Total number of shares issued

N/A

iii. Total number of shares held by Directors (both direct and beneficial)

N/A

iv. Percentage voting rights held by directors

N/A

3.3. On which public exchange are the Company's securities traded?

☒ Not publically traded

☐ JSE Main Board

☐ ZAR X

☐ 4AX

☐ A2X

☐ Foreign Exchange

☐ Other

If OTHER / FOREIGN, please specify

Country	Name of Exchange	Type of Listing
N/A		

3.4. Does the Company utilise means to monitor and verify the trading activity of its directors, officers and employees to ensure compliance with the company's insider trading policy?

☒ Not traded

☐ No

☐ Yes

If NO, please provide details

3.5. Does the Company have corporate policies with respect to directors, officers and employees ability to purchase or sell the company's shares, including the ability to exercise share options?

☒ Not traded

☐ No

☐ Yes

If YES, how often are these policies reviewed and circulated? Who monitors compliance?

If NO, please provide details

4. CORPORATE STRUCTURE

- 4.1. Other than in response to a change of accounting standards, has the proposer ever restated its financial results? ☒ No ☐ Yes

If YES, please provide details

- 4.2. At any time during the last three (3) years
- i. Has the Company replaced its external auditors or legal advisors? ☒ No ☐ Yes
- ii. Has the Company's revenue recognition or other accounting practices been approved by the external auditors? ☐ No ☒ Yes
- iii. Has the Company changed or is it considering changes to its revenue or other accounting practices? ☒ No ☐ Yes

If YES to any of the above, please attach details including details of any qualifications made by and any changes recommended by such external auditor

- iv. Has the name of the Company changed? ☒ No ☐ Yes

If YES, please attach Companies and Intellectual Property Commission CoR form

- v. Have any acquisitions or mergers involving the proposer taken place? ☐ No ☐ Yes
- vi. Has any subsidiary company been sold or ceased trading? ☐ No ☐ Yes
- vii. Has the capital structure of the proposer changed? ☐ No ☐ Yes
- viii. Has any rights issue taken place? ☐ No ☐ Yes

If YES to any of the above, please attach supporting documents, including, but not limited to, prospectus, a decision by the Competition Commission of South Africa, etc.

- ix. Has the Company received any investor complaints? ☐ No ☐ Yes
- x. Are there any material recommendations by any regulatory authority by whom the Company and its Directors are regulated, outstanding or not implemented at present, following a regulatory visit? ☐ No ☐ Yes

(These include, but are not limited to, any inquiry by an organ of the state (i.e. judiciary, competition commission, public protector, national prosecuting authority, etc.)

- xi. Have any directors and / or executive officers of the proposer resigned or been replaced? ☐ No ☐ Yes

If YES to any of the any of the above, please attach details

4.3. Is the Company at present:

- i. Aware of any acquisition, tender offer or merger pending or under consideration? ☒ No ☐ Yes
- ii. Aware of any proposal relating to its acquisition by another company? ☒ No ☐ Yes
- iii. Intending a new public offering of debt or equity securities within the next 12 months? ☒ No ☐ Yes

If YES to any of the any of the above, please attach details

5. RISK AND AUDIT

- 5.1. Does the Company have an audit and risk committee as prescribed in ☐ No ☒ Yes
~~the Companies Act?~~ *Municipal Finance Management Act.*

If NO, please provide details on how the Board and accounting officer of the company gain the assurance they require on governance, risk management, the control environment and the integrity of the financial statements?

If YES, please attach the following

- i. Audit and Risk Committee Terms of Reference
- ii. Audit and Risk Committee Charter
- iii. Audit and Risk Committee calendar of activities
- iv. Audit and Risk Committee Performance Evaluation

- 5.2. In the event of a claim falling under the insurance policy being applied for, does the Company agree to allow insurers access to the minutes of audit and risk committee meetings? ☐ No ☐ Yes

6. OUTSIDE DIRECTORSHIPS

- 6.1. Do any management, directors, officers or employees hold any of the following?
- i. Outside Board positions ☒ No ☐ Yes
(e.g., sit on any non-subsidiary company boards)?
 - ii. Were these appointments at the written behest of the Company? ☒ No ☐ Yes

If NO, please note that cover may not be automatic for these appointments

If YES, Insurers may require to see Financial Reports and Accounts of these Companies

7. SAFETY, HEALTH, ENVIRONMENT AND QUALITY ASSURANCE

- 7.1. Does the Company have policies and procedures in place to ensure compliance with all relevant health and safety and environmental legislation, regulations and governance codes? ☐ No ☒ Yes
- 7.2. Does the company employ a dedicated SHEQA official in human resources? ☐ No ☒ Yes
- 7.3. Does the Company have policies and procedures in place for identifying hazards and reducing accidents and exposure to situations harmful to both its human resources and the environment ☐ No ☒ Yes

If NO, please provide full details on how this risk is managed

If YES, please attach policies and procedures

1. NORTH AMERICA

(United States of America, being the 50 States of the Union plus the District of Columbia, Canada and any territory operating under the laws of or subject to the jurisdiction of the courts of the aforementioned territories)

- 1.1. Does the Company have any assets in North America? ☒ No ☐ Yes

If YES, please provide the total gross assets in North America

- 1.2. Does the Company have any stock, shares or debentures, debt instruments or commercial paper in North America? ☒ No ☐ Yes

If **YES**:

- | | | | |
|------|---|-----------------------------|------------------------------|
| i. | Are such stocks, shares or debentures publicly traded? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| ii. | Are any stocks or shares traded in the form of ADRs / GDR's: | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| iii. | What percentage of market capitalisation is traded in the form of ADR's? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| iv. | What percentage of total issued share capital of the Company is owned by U.S. citizens? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| v. | On what date was the last offer/tender/issue made? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| vi. | Was the offering subject to The US Securities Act of 1933 and/or The Securities Exchange Act of 1934? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| vii. | Has a 20-F filing been made to the USA regulatory authorities | <input type="checkbox"/> No | <input type="checkbox"/> Yes |

If **YES**, when was the last time and for which period

- | | | | |
|-------|--|-----------------------------|------------------------------|
| viii. | Has the Company been subject to an SEC enforcement action or IRS enforcement action in the past 3 years? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |
| ix. | Does the SEC or IRS have any inquiries or requests to the Company pending? | <input type="checkbox"/> No | <input type="checkbox"/> Yes |

Please attach details of any local D and O policies in place

2. PREVIOUS LOSSES AND EXISTING CIRCUMSTANCES

- | | | | |
|------|--|--|------------------------------|
| 2.1. | Has any insurance of this nature even been cancelled by any insurer? | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
|------|--|--|------------------------------|

If **YES**, please provide details

- | | | | |
|------|--|--|------------------------------|
| 2.2. | Have any claims ever been notified under a directors insurance policy? | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
|------|--|--|------------------------------|

If **YES**, please provide details

- | | | | |
|------|--|--|------------------------------|
| 2.3. | Are there any pending or prior claims or circumstances against anyone who will be covered under this insurance in their capacity as director of the proposer or any other company? | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
|------|--|--|------------------------------|

If **YES**, please provide details

- | | | | |
|------|---|--|--|
| 2.4. | Has the proposer or any of its directors and officers and employees ever been involved in any of the following: | | |
|------|---|--|--|

- | | | | |
|------|---|--|------------------------------|
| i. | Anti-competitive behaviour | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
| ii. | Any wilful breach of trust or wilful misconduct proceedings | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
| iii. | Been ineligible or disqualified from holding a fiduciary position | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
| iv. | Exceeded their authority | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
| v. | Employment related dispute | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |

If **YES**, please provide details

3. INSURANCE HISTORY AND REQUIREMENTS

3.1. Details of current D and O insurance:

Period of Insurance	
Limit of Indemnity	R 5' 000' 000
Excess	
Retroactive cover	

*Please attach expiry policy and wording in order for us to revert back with comparable quotation.
Premium information may be redacted*

3.2. Coverage requirements

(Limit of Indemnity ranging from R 1,000,000 to R 500,000,000)

Option 1	R 5' 000' 000
Option 2	
Option 3	

4. INFORMATION ATTACHED TO THE FORM

- | | | |
|------|--|--------------------------|
| 4.1. | Latest annual report and audited financials of the company | <input type="checkbox"/> |
| 4.2. | Newly established companies – business plan, 5 year financial forecast and CV's of directors | <input type="checkbox"/> |
| 4.3. | Corporate governance procedures / reports | <input type="checkbox"/> |
| 4.4. | Risk and Audit Committee terms of reference / charter / performance evaluation | <input type="checkbox"/> |

2. FIDELITY GUARANTEE FORM

PROPOSAL FORM

Fidelity Guarantee Insurance

1. MAIN CONTACT REGARDING THIS RISK ASSESSMENT

1.1. Name and Surname	Johannes Vorster
1.2. Position	Snr Manager: Expenditure & Assets
1.3. Phone number	028 - 313 8046
1.4. E-Mail address	jvorster@overstrand.gov.za

2. COMPANY OVERVIEW

2.1. Company name	Overstrand Municipality
2.2. Principal address	1 Magnolia Street, Hermanus, 7200
2.3. Postal address	P O Box 20, Hermanus, 7200
2.4. Phone number	028 - 313 8000
2.5. VAT registration number	4140 106 396
2.6. Company registration number	N/A
2.7. Website	WWW.OVERSTRAND.GOV.ZA
2.8. Date of Incorporation and subsequent re-registration/ name changes	N/A
2.9. Financial year end	30 June
2.10. Total Revenue	Refer to AFS
2.11. Total Assets	Refer to AFS
2.12. Principal activities	Local Government

2.13. Type of organisation

Local Government

☐ Sole Proprietor
☐ Private Company – (Pty) Ltd
☐ Personal Liability Company – Inc.
☐ Public Company – Ltd
☐ State Owned Company – SOC
☐ Non-Profit Company/ Public Benefit Organisation etc. – NPC

2.14. Are any of the Company's subsidiaries to be included (shared limit)? ☒ No ☐ Yes

If YES, please provide the following details

Subsidiary	% Owned	Date Created	Country of Incorporation
N/A			

For the rest of the proposal form, questions must be answered in such a way to disclose information pertaining to subsidiaries also.

Insurers will not be held liable for the proposer's failure to comply with local insurance regulations in territories outside of South Africa in which they operate. Accordingly, claims payment will be made in local territory only if non-admitted coverage is permissible.

- 2.15. Is the Company party to any joint venture arrangement or partnership agreement? ☒ No ☐ Yes

If YES, please attached details including Partnership Agreements

Please attach a copy of the audited financial statements as at last year-end. If exempt from submitting audited financial statements in terms of section 30 (7) of the Companies Act 2008, please provide full details of exemption and alternative arrangements in place

3. EMPLOYEES AND LOCATIONS

3.1.	South Africa	No. of Employees	1122	No. of Locations	
	Rest of Africa	No. of Employees	/	No. of Locations	
	Rest of World	No. of Employees	/	No. of Locations	

Please specify "Rest of World" territories

- 3.2. Are any branches and subsidiaries allowed to maintain different operational procedures than Head Office / parent company? ☒ No ☐ Yes

If YES, is prior approval required from head office / parent company?

☐ No ☐ Yes

- 3.3. Are criminal history, employment history and credit checks performed on all employees, including when recruiting new employees? ☐ No ☒ Yes

- 3.4. Are all employees required to take an uninterrupted, two-week holiday each calendar year? ☐ No ☒ Yes

- 3.5. Do you have established employee leaving procedures, including termination of access to computer systems? ☐ No ☒ Yes

- 3.6. Do you maintain dual control over the handling of:

i. Securities? ☐ No ☒ Yes

ii. Company / corporate cheques? ☐ No ☒ Yes

iii. Dormant accounts (if inactive for longer than 3 months)? ☐ No ☒ Yes

iv. Access codes, test keys? ☐ No ☒ Yes

- 3.7. Is there a process in place to have an independent employee check the payroll to ensure that it is accurate and correct, including, but not limited to account numbers and active employees only? ☐ No ☒ Yes

If this function is outsourced, is there an audit protocol included in the agreement?

☐ No ☐ Yes

- 3.8. Have any of your employees been dismissed for any fraudulent activities or dishonesty during the last 5 years? ☒ No ☐ Yes

If YES, please attach details for each dismissal

- 3.9. Do you reconcile balance sheets and payroll accounts each quarter? ☐ No ☒ Yes
- 3.10. Do you require managers and supervisors to approve timesheets and overtime claims? ☐ No ☒ Yes
- 3.11. Do you restrict payroll department employees' ability to modify pay rates and hours? ☐ No ☒ Yes
- 3.12. Do you perform data analytics on payroll records to look for matching addresses, names, bank accounts, etc.? ☐ No ☒ Yes
- 3.13. Do you check payroll records to ensure terminated employees have been removed from payroll? ☐ No ☒ Yes
- 3.14. Do you separate the tasks of preparing payroll and reconciling payroll account? ☐ No ☒ Yes

4. AUDITS

- 4.1. Do External Auditors audit all operations at least annually? ☐ No ☒ Yes
- If NO, please attach details

- 4.2. Have all recommendations made by External Auditors regarding internal controls been complied with following last audit? ☐ No ☒ Yes

If NO, please attach details

- 4.3. Is there an audit and risk committee which monitors the effectiveness of internal controls and reports directly to the Board? ☐ No ☒ Yes

If NO, please provide details on how the board and accounting officer of the company gain the assurance they require on governance, risk management, the control environment and the integrity of the financial statements.

If YES, please attach the following

- i. Audit and Risk Committee Terms of Reference
- ii. Audit and Risk Committee Charter
- iii. Audit and Risk Committee calendar of activities
- iv. Audit and Risk Committee Performance Evaluation

- 4.4. Do you have an Internal Audit Department which has separate duties from the auditing services provided by an external accountant? ☐ No ☒ Yes

If YES,

- i. Is there an established audit cycle which encompasses all operations? ☐ No ☒ Yes
- ii. Is the Internal Audit department independent of any other function? ☐ No ☒ Yes

- iii. Does the Internal Audit team periodically review segregation of duties, accuracy of records, management and supervisory procedures and the physical and non-physical internal controls? ☐ No

☒ Yes

5. INTERNAL FINANCIAL CONTROLS

(If the answer to any of the following questions is **NO**, please give full details of any alternative methods of control)

5.1. Are the duties of each employee arranged so that no one employee is permitted to control any transaction from commencement to completion without referral to others for:

- | | | |
|---|-----------------------------|---|
| i. Signing cheques or authorising payments? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| ii. Issuing fund transfer instructions? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| iii. Amending fund transfer procedures? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| iv. Opening new accounts, including new vendors, suppliers, service providers etc.? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| v. Refunding monies, returning of goods or issuing and any other credit or refund? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| vi. Awarding contracts following a tender? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| vii. Loading or updating payment beneficiary details? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |

5.2. How do you ensure that payments are made to the legitimate / correct bank account?

Segregation of duties between employees making payments and employees able to change banking details.

- 5.3. Are all supporting documents validated before authorising payments? ☐ No ☒ Yes

- 5.4. Is petty cash kept and a quarterly independent check of vouchers, receipts and cash balances made? ☐ No ☒ Yes

- 5.5. Are cashbook entries independently checked against bank statements, bank paying in book counterfoils, receipt counterfoils and vouchers and the balance tested with unrepresented cheques at regular intervals? ☐ No ☒ Yes

- 5.6. Do you reconcile monthly bank account statements in a timely manner? ☐ No ☒ Yes

5.7. What is the approximate annual value of fund transfers?

- 5.8. Are the duties of employees in procurement rotated? ☐ No ☒ Yes

- 5.9. Are vendor files randomly audited and at least annually? ☐ No ☒ Yes

5.10. When setting up vendors, is a due diligence conducted which verifies:

- | | | |
|--------------------------------------|-----------------------------|---|
| i. Vendors' businesses name | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| ii. Vendors' VAT registration number | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| iii. Vendors' phone number | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |

- | | | | |
|-------|--|-----------------------------|---|
| iv. | Vendors' postal and physical address | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| v. | Vendors' bank account details | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| vi. | Vendors contact person | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 5.11. | Is data mining used to uncover anomalies and patterns? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 5.12. | Are the addresses of vendors' compared to those of employees? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 5.13. | Has a dual process for vendor master file management been implemented? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 5.14. | Are vendor master files reviewed to check that volume of billing is reasonable and consistent? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |

6. STOCK AND PHYSICAL SECURITY

(If the answer to any of the following questions is **NO**, please give full details of any alternative methods of control)

- | | | | |
|------|--|--|---|
| 6.1. | Is there controlled access to all locations? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.2. | Does the proposer operate any weighbridges? | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |

If **YES**, please attach FULL details of security controls, including contractual arrangements with operators if operated by a third party.

- | | | | |
|------|---|--|---|
| 6.3. | Does the proposer have sole access and control over the premises? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.4. | Are all premises (entrance to premises and warehouses, externally and internally) monitored by CCTV cameras | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |

How long are these records kept? N/A

- | | | | |
|-------|---|-----------------------------|---|
| 6.5. | Are all premises containing stock, money, securities, precious metals etc. connected to an intruder alarm? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.6. | Are intruder alarms maintained in proper working order and connected to a central station or police station? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.7. | Is an independent physical count of stock, raw materials, work in progress and finished goods undertaken and is this count reconciled against stock levels? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.8. | Do you maintain a current list of approved vendors? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.9. | Prior to payment, are purchase orders, vendor invoices and receiving documents reconciled and vendor information checked against the approved vendor by a person not assigned to purchasing or receiving? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.10. | Are all orders confirmed with vendors by someone not assigned to purchasing or receiving? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.11. | Do you maintain strict separation of functions with respect to purchasing receiving, paying and accounting? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |

- | | | | |
|-------|---|-----------------------------|---|
| 6.12. | Are buyers and assistant buyers subject to specific limits of authority? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.13. | Is the purchase and dispatch of goods authorised by a senior official and copies of appropriate documents passed on to the accounts department? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.14. | Are goods received notes passed to a senior official to be checked against authorised purchase documents before authorising payment? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 6.15. | Are statements of account for all sums due issued directly to customers independently of employees receiving or collecting monies at monthly intervals, with management action required after three months? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |

7. COMPUTER SYSTEMS

(If the answer to any of the following questions is **NO**, please give full details of any alternative methods of control)

- | | | | |
|---|---|--|---|
| 7.1. | Are passwords used to give varying levels of access to your computer system and fund transfer systems on the need and authorisation of user basis? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 7.2. | Are passwords changed regularly? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 7.3. | Are access controls designed so that users cannot gain access to programs and files to which they have not been specifically granted access to through a formal procedure? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 7.4. | Are all key source documents maintained in a secure environment prior to being entered into the computer system in order to prevent unauthorised modification or inappropriate use of data? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 7.5. | Do you utilise any recognised software packages to control access to your computer system? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| If YES , do you modify such software to your own specifications? | | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 7.6. | Are programming and processing operations separated physically and as to personnel involved? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 7.7. | Can programming staff operate the live system? | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
| 7.8. | Are there at least two employees on duty during any Data Processing shift? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 7.9. | Is access to Data Processing premises restricted to authorised personnel only? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |
| 7.10. | Do you allow employees remote access to the company's main computer facilities? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes |

- If YES,:
- i. Is access controlled by 'one time' password systems? ☒ No ☐ Yes
- ii. Is access limited to non-sensitive systems and data? ☒ No ☐ Yes
- iii. Is the message traffic protected by encryption? ☐ No ☒ Yes
- 7.11. Do you have cyber breach / malware etc. protection software / firewall installed? ☐ No ☒ Yes
- If YES, is this upgraded on a regular basis? ☐ No ☒ Yes
- 7.12. Do you monitor and produce reports on intrusion / unauthorised access activity / breaches and is this monitored on a 24-hour basis by penetration specialists? ☐ No ☒ Yes
- AI-based firewall policy.*
- If YES, is this an external service provider or internal employees? ☐ External ☒ Internal
- 7.13. Have you set up IT controls to alert management of large data downloads or transfers or downloads and transfers that occur at odd times? ☒ No ☐ Yes
- 7.14. Have you installed purchase software that alerts management of suspicious activity on a company network, such as an employee trying to access sensitive information? ☒ No ☐ Yes
- In process of procuring.*
- 7.15. Do you dispose of confidential information properly, by shredding documents and completely removing data from electronic devices before redeploying or disposing of them? ☐ No ☒ Yes
- 7.16. Do you implement a clean desk policy that prohibits employees from keeping sensitive information on their desks while they are not present? ☐ No ☒ Yes

- 8.1. Do you have a strong code of ethics and ensure everyone in the company, ☐ No ☒ Yes
from the top down, knows what it says and puts it into practice?
- 8.2. Do you ensure those at the top levels of the company set an example that ☐ No ☒ Yes
makes it clear that bribery and corruption are not tolerated?
- 8.3. Do you discipline employees who breach the company's code of ethics? ☐ No ☒ Yes
- 8.4. Do you conduct due diligence on all third parties your company does ☐ No ☒ Yes
business with?
- 8.5. Do you train all employees on bribery and corruption prevention? ☐ No ☒ Yes
- 8.6. Do you reward employees for ethical behavior? ☒ No ☐ Yes

9. LOSS INFORMATION

- 9.1. Please give details of any losses sustained during the past five (5) years (losses of a type that may be covered by this insurance) and before application of any deductible, retention or excess, whether insured or not.

	Nature of Loss	Date Committed	Date Discovered	Amount
i.	N/A			
ii.				
iii.				

- 9.2. Please describe the corrective measures taken to prevent similar losses as well as actions taken against the perpetrator

- i. N/A
- ii.
- iii.

10. INSURANCE HISTORY AND REQUIREMENTS

- 10.1. Details of current Fidelity Guarantee / Commercial Crime insurance

Limit of Indemnity ☐ Aggregate ☐ Any One Claim

Retention ☐ Excess ☐ Franchise

Retroactive Date

Expiry Date

Please attach expiry policy schedule and wording in order for us to revert back with a comparable quotation. Premium information may be redacted

- 10.2. Coverage Requirements

☐ Aggregate Limit of Indemnity

☐ Any One Claim

Option 1

Option 2

Option 3

R1'450'000

Excess Option 1

Excess Option 2

Excess Option 3

10.3. Extensions required

(Always subject to the policy terms, conditions and exclusions):

Additional Discovery Period

Insured is granted an additional period of twelve (12) months to either Discover a loss or to identify circumstances that may give rise to a claim for indemnity in terms of this Policy

☐

Unidentifiable Employees Clause

If a loss is alleged to have been caused by the fraud or dishonesty of any of the employees and the Insured shall be unable to designate the specific Employee or Employees causing the loss, the Insured's claim in respect of such loss shall not be invalidated by their inability to do so

☐

No Claims Bonus

No Claim Bonus shall be offered as a return premium subject to No Claims being paid, nor any matters notified and renewal being offered to and obtained by SHA

☐

Aggregate Reinstatement

If limit of indemnity is reduced by reason of a claim being paid, the Limit of Indemnity shall be automatically reinstated (one time) to the amount of such reduction

☐

11. INFORMATION ATTACHED TO THE FORM

11.1. Latest annual report and audited financials for the company

☐

11.2. Newly established companies – business plan, 5 year financial forecast

☐

11.3. Corporate governance procedures / reports

☐

11.4. Risk and Audit Committee terms of reference / charter

☐

3. DRONE INSURANCE PROPOSAL FORM

DRONE INSURANCE PROPOSAL FORM

Please answer ALL questions completely

Should any question or part thereof not be applicable, please state "N/A" Should insufficient space be provided, please continue on your company letterhead.

Glossary

ATC	Air Traffic Control
CAA	Civil Aviation Authority
GCS	Ground Control Station. Including launch system, flight control and mission specific hardware and software, communications equipment
MTOM	Maximum Take-off Mass
OEM	Original Equipment Manufacturer
RPAS	Remotely Piloted Air System. Complete operating system including airframe, payload, launch station and Ground Control Station
ROC	RPAS Operator Certificate
FW/MR	Fixed Wing/Multi Rotor

Cover type required

- Third Party Liability**
Compulsory – Covers liability to third parties for third party direct loss/damage consequential of RPAS failure. Does not cover third parties consequential losses (e.g. Business Interruption)
 Yes ☒ No ☐
- Physical loss and damage to RPAS**
Compulsory – Physical loss or damage to RPAS (airframe, payload, launch station and/or GCS) in operating or routine testing environment
 Yes ☒ No ☐
- Spares Extension**
 Physical loss or damage to RPAS Spares (parts not attached to the RPAS)
 Yes ☒ No ☐
- Hull War Extension**
 Physical loss or damage to RPAS as a consequence of a deliberate/malicious act or act of sabotage
 Yes ☐ No ☒
- War Liability Extension**
 Third party Liability loss or damage as a consequence of a deliberate/malicious act or act of sabotage arising out of the use of the RPAS
 Yes ☐ No ☒
- Cyber Risk Extension**
 Covers airborne Digital Assets, Non-Physical Business Interruption and Expenses, Computer Crime and Cyber Extortion (R100 000 limit)
 Yes ☒ No ☐

General

Name of insured Overstrand Municipality Country in which registered RSA

Business address 1 Magnolia Street, Hermanus Code 7200

Company website WWW.OVERSTRAND.GOV.ZA

Describe **ALL** business activities _____

Local Government (Municipality) _____

Certification of RPAS Operators

(i) CAASA None

(ii) Other _____

Name of RPAS Operating Certificate
(ROC) holder

N/A

Issue date of current ROC

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---

RPAS make, model and registration per RPAS airframe:

Note: questions below will follow same order for each airframe stated here

(i) FW or MR N/A

(ii) FW or MR N/A

(iii) FW or MR N/A

Insurance Policy – Limits of Indemnity

Third party liability

(Third Party/Premises/Hangarkeepers/Products) – ZAR (R) or USD (\$)

(i) Required Limit _____

(ii) Required Limit _____

(iii) Required Limit _____

RPAS physical loss/damage – ZAR (R) or USD (\$)

(Including airframe, launch station, GCS hardware and related software)

(i) R 42'592-00

(ii) R _____

(iii) R _____

RPAS Spares – ZAR (R) or USD (\$)

(State value of payload and related spares specific to each airframe)

(i) R N/A

(ii) R _____

(iii) R _____

Maximum Take Off Mass (MTOM) – Including RPAS airframe, navigation and comms and payload (KG)

(i) 2KG

(ii) _____

(iii) _____

Maximum operating altitude (M)	Maximum range (KM)	Maximum endurance (HRS)
(i) 500	5KM	20 MINUTES
(ii)		
(iii)		

Has the Company or any of its RPAS managers, operators or engineers previously been refused insurance coverage

Yes

☐

No

☒

If YES, please specify

Please provide a complete record of incidents and/or claims history

NO INCIDENTS OR CLAIMS HISTORY

Launch And Recovery

How does the RPAS take-off (e.g. conventional undercarriage/launch rail/rocket assisted)

(i) **CONVENTIONAL UNDERCARRIAGE**

(ii)

(iii)

Is the take-off/launch and/or recovery/landing fully autonomous, or is there an external pilot

(i) **AUTOMATED BY CONTROLLER WITH OPERATOR**

(ii)

(iii)

How does the RPAS recover/land (Recovery net/parachute/conventional landing on undercarriage)

(i) **CONVENTIONAL LANDING ON UNDERCARRIAGE**

(ii)

(iii)

Navigation and Rpas Comms

Line of Sight

(i) **N/A**

(ii)

(iii)

GPS

(i) **BUILD IN COMPASS AND GPS**

(ii)

(iii)

Navigation system and flight control software

(i) **DJI DRONE SOFTWARE**

(ii)

(iii)

Redundancy (e.g. Pre-programmed holding pattern and/or line of sight operator control)

(i) **LINE OF SIGHT OPERATOR CONTROL**

(ii)

(iii)

Does the RPAS have the ability to fly autonomously, or is manual input required at all times

(i) **HAS ABILITY TO FLY AUTONOMOUSLY**

(ii)

(iii)

Flight control communications (type and range) single or dual comms link

(i) N/A

(ii)

(iii)

Operations

Country (If present in more than one country please state additional countries)

(i) N/A

(ii)

(iii)

Current or intended usage split % of RPAS by the insured.

Commercial (at third party premises for reward)		Business Use (at own premises)	
(i) Commercial (C)		or Business Use (B)	100
(ii) Commercial (C)		or Business Use (B)	
(iii) Commercial (C)		or Business Use (B)	

Intended operating environments (Please provide as much detail as possible and a % split)

(i) TAKING OF FOOTAGE DURING PUBLIC UNREST

(ii) LAW ENFORCEMENT DUTIES

(iii) ASSISTING WITH WILDLIFE SEARCH AND RESCUE

Will any hazardous flying take place (e.g. poor weather conditions or poor visibility, night flights, near to power line **electro-magnetic** fields, etc.) Please specify activity

Yes ☒ No ☐

(i) DEPENDING ON SITUATION WHEN DRONE NEEDED.

(ii)

(iii)

Expected annual flying (Please separate by RPAS airframe)

(i) Hours

Yes ☐ No ☐

(i) Hours

Please confirm a log is kept for each flight / mission (in accordance with standard flight logs)

Yes ☐ No ☐

(i) Hours

Yes ☐ No ☐

Operator's Name/RPL reference number/Date of last issue

A	Name	RPL Ref.	Date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	Name	RPL Ref.	Date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	Name	RPL Ref.	Date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D	Name	RPL Ref.	Date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E	Name	RPL Ref.	Date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Personal Accident

A	Name	N/A	Personal Accident	R250 000
B	Name	N/A	Personal Accident	R250 000
C	Name	N/A	Personal Accident	R250 000
D	Name	N/A	Personal Accident	R250 000
E	Name	N/A	Personal Accident	R250 000

4. MARINE & AIRCRAFT DETAIL LIST

Marine & Aircraft

MARINE & AIRCRAFT		
Item	Description	INSURED SUM 31/12/2020
1	<u>Rubberducks</u>	
1.1	Rump insurance x 3	96,631
1.2	Outboard insurance x 3	193,261
1.3	Specialised equipment	80,526
2	Yamaha VX 700 Jetski and trailer CEM13677 Eng. 6AE1000560	128,841
3	Possible additional craft to be procured by 01/07/2021	1,273,646
	TOTAL	1,772,904

Item	Description	INSURED SUM 31/12/2020
	<u>DJI Navic Pro Drone</u>	42,592
	TOTAL	42,592

5. OTHER

5.1. DETAILED FLEET LIST

Contained with ANNEXURE A distributed with original tender document.

5.2. LATEST AUDITED FINANCIAL STATEMENTS

Contained on Overstrand Website at:

<https://www.overstrand.gov.za/en/documents/strategic-documents/annual-report/8360-draft-audited-annual-report-2019-2020>

5.3. CLAIMS HISTORY

Summary of three-year claims history contained within tender document