



# Policy Contract



## 1. DEFINITIONS

- 1.1 "Business Act/s", shall mean any income producing activity in the event that the policy is a standard Legal Shield policy.
- 1.2 "Educational Institution" shall mean a tertiary academic institution, being a registered university or technikon, at which a dependent is enrolled at fulltime for the purposes of obtaining a degree or diploma.
- 1.3 "Effective date" shall mean the first day of the month following receipt of the first premium in the books of the Insurer. In the event that an arrear premium is received, the Effective Date shall be the date of receipt of the arrear premium in the books of the Insurer.
- 1.4 "Labour Consultant" shall mean Trustco Labour Consultancy or such other person or entity appointed by the Insurer.
- 1.5 "Legal Expenses" shall mean the fees payable to a Legal Practitioner/ Labour Consultant or an administrator of Estates for professional services rendered while this policy is in force.
- 1.6 "Legal Practitioner" shall mean a qualified legal practitioner as described by the Legal Practitioners Act No.15 of 1995 as amended or substituted from time to time.
- 1.7 "Main Member" shall mean the applicant in whose name the policy was issued.
- 1.8 "Matrimonial Disputes" shall mean disputes concerning all marriages recognized by law; family disputes; divorce actions; enforcement of divorce settlement agreements; maintenance suits; rights of access to children; custody cases, protection orders and drafting standard Ante Nuptial Contracts.
- 1.9 "Namibia" shall mean the Republic of Namibia.
- 1.10 "Policy" shall mean this Policy document as amended from time to time by the Insurer including the schedule and the application form thereto.
- 1.11 "The Insurer" shall mean Trustco Insurance Ltd.
- 1.12 "The Insured" shall mean
- 1.12.1 the person in whose name this policy is effected including his/her lawfully wedded husband or wife;
- 1.12.2 the person in whose name this policy is effected including his/her partner in a union recognized as valid in accordance with the traditions and customs of any ethnic group in Namibia;
- 1.12.3 including his / her partner with whom he / she cohabits as husband and wife with that person. Only one (1) cohabitation partner may be listed on the Policy for the duration of the Policy.
- 1.12.4 Included in 1.12.1 to 1.12.3 above are a maximum of five (5) dependent Children
- (a) under the age of twenty one (21)
- (b) under the age of twenty five (25) and registered as fulltime students at an Educational Institution.
- 1.12.5 The family members referred to in clauses 1.12.1 to 1.12.4 will enjoy cover only:
- i) if the application of the above mentioned family members was approved by the Insurer.
- ii) if the Main Member has consented in writing to the use of this Policy by a family member; and
- iii) while the circumstances provided for in clause 1.12.4 are in existence.
- iv) while the persons are normally residing within Namibia.
- 1.13 "The Labour Act" shall mean the Labour Act, Act 11 of 2007, as amended or substituted from time to time.
- 1.14 "Beneficiary" shall mean the person nominated by the Insured in writing as his/her beneficiary to receive payment of the free funeral benefit in terms of the Policy and whose particulars appear in the records of the Insurer.
- 1.15 "Children" shall mean the biological or legally adopted children of the Main Member and spouse or partner and also includes the children for which the Main Member and spouse or partner have been appointed by a court as legal guardians.

## 2. INDEMNITY TO THE INSURED

In consideration of the Insured having paid the agreed premium to the Insurer and subject to the terms, conditions and exclusions herein, the Insurer indemnifies the Insured against legal expenses incurred in accordance with and limited to the prevailing Trustco Insurance Limited tariffs, terms and conditions.

- 2.1.1 The Insurer agrees to waive the monthly short term premium if the Main Member has been retrenched or has become totally or temporarily disabled for such time as the Insured is retrenched or disabled subject to a maximum of six (6) premiums.

- 2.1.2 The Insurer should be advised in writing not later than thirty (30) days of the occurrence of the event mentioned in 2.1.1 above together with such documents as the Insurer may reasonably require to verify the fact of such retrenchment or disability.

## 3. INDEMNITY TO THE INSURER

- 3.1 The Insurer shall not be liable for any damage caused by any act, advice, negligent or otherwise, by the agent, Consultant, employee, Legal Practitioner or Labour Consultant appointed by the Insurer.
- 3.2 The Insurer, in the event where a claim is referred for legal action, does not guarantee any legal expertise in respect of the appointed Legal Practitioner.
- 3.3 The Insurer does not guarantee any decision by any Court or Tribunal in favour of the Insured.

## 4. INSURED MATTER

- 4.1 Criminal Proceedings in a Court of Law of first instance or any other statutorily constituted body of first instance including an application to be released on bail.
- 4.2 Civil Proceedings by or against the Insured in a Civil Court of Law of first instance including matrimonial disputes.
- 4.3 Labour Proceedings in terms of the Labour Act, Act 11 of 2007 as amended or substituted.
- 4.4 Labour related issues in the work place.
- 4.5 Administrative Proceedings in any tribunal of first instance.
- 4.6 An Appeal from any of the aforementioned courts or tribunal when there is a reasonable prospect of success in the view of the Insurer.
- 4.7 Administration of deceased estates in which the Insured has a direct and/or substantial interest.
- 4.8 Conveyancing of private residential property excluding transfer and stamp duty and limited to one claim per policy per twenty four (24) month period.
- 4.9 Drafting of a standard Ante Nuptial Contract including one (1) consultation and registration thereof.
- 4.10 Criminal and Civil proceedings in a court of Law of first instance including an application to be released on bail in the Republic of South Africa. This does not include Matrimonial Disputes as defined in clause 1.8.

## 5. TERRITORIAL LIMITS

The Insurer will be liable to indemnify the Insured against legal expenses incurred in and arising from events based entirely within the territorial boundaries of Namibia, subject to clause 4.10.

## 6. POLICY EXCEPTIONS

Except as otherwise specifically stated this Policy does not cover matters based on or arising from, during or out of:

- 6.1 A cause of action that may give rise to a claim, which arose prior to the Effective Date of the Policy;
- 6.2 A Business Act;
- 6.3 Defamation, or any other type of injuria where the Insured is cited as a defendant. If a claim of an aggrieved party is successful, an excess payment in the amount of one thousand Namibian Dollars (N\$1000.00) will be levied before a legal practitioner is appointed;
- 6.4 Civil matters based on illegality or malice on the part of the Insured, including civil debt collection with a capital value less than five thousand Namibian Dollars (N\$5000.00)
- 6.5 Matters in which the Insured does not have:
- 6.5.1 A personal interest;
- 6.5.2 A reasonable prospect of success.
- 6.6 Legal Costs awarded against the Insured in terms of a Court Order or any body provided for in the Labour Act, Act 6 of 1992 or Act 11 of 2007;
- 6.7 Matters which are reasonably capable of being resolved satisfactorily without legal representation;
- 6.8 Political activities by the Insured;
- 6.9 Any claim against the Insurer;
- 6.10 Any act by the Insured other than in his private capacity, for private purposes;
- 6.11 Events, conditions or circumstances of general public interest which may affect public interest or society generally;
- 6.12 Criminal charges in respect of an offence;
- 6.12.1 Which is of a type of which the Insured has been charged with or convicted of within a period of

- two (2) years preceding the date upon which the present offence was allegedly committed;
- 6.12.2 For which an admission of guilt fine is payable.
- 6.13 Any act or activity which is calculated or directed to overthrow or influence any state, municipality, tribal or other public authority with force, warlike activity or means of fear to bring about any civil commotion, public disorder, riots or public disobedience;
- 6.14 Any attempt to perform any acts referred to above;
- 6.15 Any expropriation proceedings;
- 6.16 Bail money needed for the release of the Insured;
- 6.17 Not more than one claim shall be allowed under this policy relating to or arising from the same set of facts or circumstances or cause of action.
- 6.18 In the event that the same set of facts or circumstances give rise to a cause of action by or against more than one person entitled to an indemnity in terms of this policy, the Insurer shall be entitled to indemnify only the Main Member and in cases where the Main Member is not so entitled to indemnify one person specified in writing by the Main Member;
- 6.19 Any offence relating to property where the value of the property is less than five hundred Namibian Dollars (N\$500.00)
- 6.20 Failure by the Insured to co-operate with or accept professional legal advice from the appointed Legal Practitioner.
- 6.21 Wasted costs occasioned by the failure of the Insured to provide requested documentation to the appointed Legal Practitioner timeously, failure to attend consultations or court appearances and/or the withdrawal and reinstatement of a same matter by the Insured.

## 7. PERSONAL BUSINESS ACTS (this option is applicable if the insured member has chosen this option and pays the prescribed monthly premium)

- 7.1 Indemnity to the Insured
- 7.1.1 In consideration of the Insured having paid the agreed premiums to the Insurer and subject to the terms, conditions and exclusions herein, the Insurer indemnifies the Insured against legal fees in Civil Proceedings only, by or against the Insured in a Civil Court of Law of first instance.
- 7.2 A personal business act is covered if:
- 7.2.1 The business turnover (gross income generated) is under N\$1,000,000 per annum
- 7.2.2 The business income is not the Insured's primary source of income
- 7.2.4 The business / source of the income is declared by the Insured at the time of the registration of the Policy and the onus is on the Insured to ensure that any change in the source of the income and/or business is brought to the attention of the Insurer. The income is generated in the personal name of the Insured or in a legal entity that the Insured is the sole owner / member / shareholder.
- 7.3 A personal business act is specifically excluded if:
- 7.3.1 Matters based on, arising from, during or out of the circumstances as referred to and excluded in clause 6 of the policy contract, save for clause 6.2
- 7.3.2 Litigation by or against the State, Organ of State or State Owned Enterprises
- 7.3.3 Any claims against the Insurer and any companies affiliated to the Insurer.

## 8. FREE FUNERAL BENEFIT

- Upon the death of the main member or his/her registered spouse, Insurer will pay a free funeral benefit which benefit shall be calculated as follows: monthly premium multiplied by one hundred (100), provided that the Insured has kept all monthly premiums and the policy up to date for a period of twelve (12) months preceding the death of the main member or his/her registered spouse.
- 8.1 All claims in terms of the free funeral benefit must be submitted within ninety (90) days of the death of the member or his/her registered spouse
- 8.2 No benefit shall be paid unless the member joined prior to attaining the age of sixty-five (65)
- 8.3 No benefit shall be payable where such death resulted from:
- 8.3.1 Suicide or self-inflicted injury
- 8.3.2 The use or abuse of a dependence producing drug or substance
- 8.3.3 Any dangerous activity or sport
- 8.3.4 Any act or activity which is calculated or directed to overthrow or influence any state, municipality,

- tribal or other public authority with force, warlike activity or means to bring about any civil commotion, public disorder, riots or public disobedience
- 8.4 The onus of proof shall be on the beneficiary to show that none of the exemptions were present or contributed to the cause of death
- 8.5 In the event of the Beneficiary having predeceased the Insured, the benefit shall be paid to the estate of the Insured in whose name the policy is effected.
- 9. PREMIUMS, SCHEDULE OF INSURANCE, PAYMENT AND DUTIES OF THE INSURED**
- 9.1 The following shall be reflected in the Schedule of Insurance:
- 9.1.1 the monthly premium;
- 9.1.2 the Maximum Limit of indemnity from time to time.
- 9.2 The Insured shall take all reasonable steps to ensure that any damage in respect of an event is mitigated, and shall not intentionally and without legal justification commit any criminal offence.
- 10. COMMENCEMENT, DURATION OF INSURANCE AND PAYMENT OF PREMIUMS**
- 10.1 Subject to clause 10.2, the Insurance shall commence on the Effective Date, and, provided that the Insured continues to pay the monthly premium, shall be effective until cancelled by the Insurer or the Insured in writing; in which event cover shall cease at 24h00 on the last day of the month for which premiums have been paid. Legal expenses incurred to date of cancellation will be covered by the Insurer where after all liability by the Insurer towards legal expenses will cease.
- 10.2 Premiums are payable monthly in advance before the first (1st) day of the month for which cover is required. The onus is on the Insured to ensure that the premiums are duly paid timeously. In the event that the premiums are payable by debit order, the Insurer shall have the right to resubmit the debit order in the event that the debit order is returned unpaid. In the event that the preferred date of the month indicated on the application form is a Sunday or Public Holiday, the debit order may be submitted on an earlier date.
- 10.3 If arrear premiums are received in the books of the Insurer, the Insurer shall have the right to indemnify the Insured or to regard the Policy as having been cancelled and to refund the arrear premiums received.
- 10.4 The parties may cancel the Policy at any time upon one month's written notice in which case the provisions of clause 10.1 will be applicable.
- 10.5 Subject to clause 18 if this policy is cancelled at any time for any reason the Insured shall not be entitled to a refund of premiums paid.
- 10.6 No person or company is authorized to receive premiums from an Insured except on written authority from the Insurer to do so.
- 10.7 The Insurer shall have the right to increase the monthly premium from time to time. Such increase shall be decided by the Insurance Investee Executive Committee taking into consideration the inflation rate, economic conditions and sustainability.
- 10.8 The Insurer reserves the right to cancel the Policy if, in the opinion of the Insurer, the Insured is an insurable risk, in which case the provisions of clauses 10.1 and 10.5 will be applicable.
- 11. CLAIMS PROCEDURE**
- 11.1 Within thirty (30) days after the occurrence of an event, which may give rise to a Legal claim in terms of this policy, the Insured shall advise the Insurer in writing on the prescribed claim form.
- 11.2 The Insurer will not be liable to indemnify unless:
- 11.2.1 The Insurer has issued written confirmation of cover subsequent to a claim being received and,
- 11.2.2 The Insured continues to pay the monthly premium while the legal proceedings are in progress.
- 11.3 An administrator of Estates will be appointed in the sole discretion of the Insurer. An executor's fee of 1,75% will be charged by the appointed Administrator of Estates, which fee shall be for the account of the Estate or the Insured as the case may be.
- 11.4 An executor's fee of 1,75% will be charged by the appointed Administrator of Estates, Executor or Executor's agent, which fee shall be for the account of the Estate or the Insured as the case may be.
- 11.5 The Insurer will appoint a legal practitioner in consultation with the insured and who forms part of the panel of legal practitioners approved by

the Insurer.

**12. SETTLEMENT**

- 12.1 The Insurer shall have the right to first attempt to settle any dispute or claim relating in any way to the Insured including, but not limited to, negotiation, mediation and/or binding arbitration, rather than in a court of law. This arbitration clause shall be mandatory if the litigants are all Insured members of Legal Shield, litigating against one another. The Insured shall be required to actively participate in these processes. The arbitration shall be held in WINDHOEK except otherwise approved or directed in writing by the Insurer. The arbitrator shall be such competent and independent person identified and appointed by the Insurer or as may be mutually agreed upon between all parties, failure which, the Insurer may request the Chairperson of the Society of Advocates of Namibia to appoint an independent arbitrator whereupon the standard administrative procedures of the Rules of Arbitration of the Republic of Namibia shall apply. The arbitrator's award shall be final and binding, and any party to the arbitration can apply to a court of law to make the arbitral award an order of court, in which case the award may become public.
- 12.2 In the event of legal proceedings being instituted, the Insured, through the appointed Legal Practitioner, shall make reasonable attempts to settle the matter as soon as possible.
- 12.3 The Policy constitutes a cession to the Insurer, and the right to recover legal costs hereby incurred and disbursed from an opposing party, vests in the Insurer.
- 12.4 The Insured or the appointed Legal Practitioner shall not settle any claim with an opposing party unless such settlement includes a full reimbursement of all and any costs paid by the Insurer towards the Legal Practitioner.

**13. DOCUMENTS TO BE SUBMITTED TO THE INSURER**

- 13.1 The Insured shall be obliged to furnish to the Insurer such documents as may be requested, at no cost to the Insurer.
- 13.2 The Insured hereby grants Power of Attorney to the Insurer to obtain from any Public Authority or third party any document or information pertaining to a claim.

**14. WHOLE AGREEMENT**

- 14.1 The application for insurance shall be the basis of and forms part of this Policy.
- 14.2 The Policy and amendments thereto, the Application and the Schedule of Insurance shall constitute the sole agreement between the parties.
- 14.3 No contrary representation or agreement to vary the Policy shall be of any force or effect unless reduced to writing and signed by someone specifically authorized thereto in writing by the Insurer.

**15. REPUDIATION OF CLAIMS, CONFLICT AND DISPUTE**

- 15.1 In the event of a repudiation by the Insurer of a claim, or portion of a claim, the Insured must submit a written request for reassessment within thirty (30) days of being notified of the repudiation.
- 15.2 The repudiated claim and the request for reassessment will be considered by the Reassessment Committee of the Insurer.
- 15.3 In the event of the Insured not agreeing with the decision of the Reassessment Committee, the Insured shall notify the Insurer within thirty (30) days of being notified of the decision.
- 15.4 Within ninety (90) days of being notified of the decision of the Reassessment Committee, the Insured shall institute legal action against the Insurer by way of having summons served on the Insurer. Should this not be done, the Insured's claim against the Insurer prescribes.

**16. EXCLUSION PERIOD - LEGAL CLAIMS**

- 16.1 No claim in respect of any Matrimonial Dispute as defined in clause 1.8 above arising from any incident, event, transaction or cause which

occurred within a 12 (twelve) months period calculated from the effective date of the policy will be considered.

- 16.2 No claim in respect of the conveyancing of residential property acquired within a 6 (six) months period calculated from the Effective Date of policy, will be considered.
- 16.3 No claim in respect of a criminal offence containing an element of dishonesty, including the offence of corruption and housebreaking, arising from any incident, event, transaction or cause which occurred within a 12 (twelve) month period calculated from the effective date of the policy will be considered.
- 16.4 In the event that a member's policy has been fully paid up and all premiums paid for a period of twelve (12) months (in respect of clause 16.1 and 16.3) or six (6) consecutive months (in respect of clause 16.2), the exclusion periods contained in clauses 16.1 to 16.3 above will not apply.
- 16.5 In the event of a premium write-off on a member's policy, the exclusionary periods referred to in clauses 16.1, 16.2 and 16.3 above shall be applicable to the member's policy in respect of exclusionary periods

**17. NAWA BONUS**

- 17.1 A Nawa Bonus is payable in the event that the policy holder has kept all monthly premiums up to date during the said period and that the Policy is not otherwise in arrears. The Nawa Bonus shall be an amount as reflected in the Schedule.
- 17.2 There shall be a six (6) month waiting period from the payment of the first premium as reflected in the books of the Insurer or the receipt of an arrear premium before a Nawa Bonus can be claimed.
- 17.3 A thirty (30) day notice must be given of the Insured's intention to claim the Nawa Bonus.
- 17.4 Payment of the Nawa Bonus shall be in terms of the applicable policy and procedures of the Insurer.

**18. COOLING – OFF PERIOD**

In the event that the Insured cancels his/her policy within two (2) months of the application for cover by the Insured and provided that the Insured did not prior to such cancellation submit any claim in terms of the policy, the Insurer shall refund all premiums received from the Insured.

**19. REACTIVATION**

In the event that a Legal Shield policy in the name of the policy holder had previously been cancelled for any reason, an administrative fee equal to one (1) months premium shall be payable as a first charge on the new policy.

**20. DISCLOSURE OF RISK**

The Insured acknowledges that he is obliged to disclose to the Insurer any fact or circumstance which may arise while this policy is valid and which may affect the risk Insured. Failure to do so may result in the repudiation of any claim submitted.

**21. UNDERWRITING**

The benefit contained in clause 8 is underwritten by Trustco Life Ltd.

**22. COMMUNICATION**

The Insurer is entitled to address any written communication with the Insured in the manner it deems most expedient by way of either mail, facsimile, smart fax, short message service or electronic mail. For purposes of communicating any amendment of the terms and conditions of this policy, the Insured expressly consents to the Insurer notifying the Insured of any such amendment by means of short message service to the mobile telephone number nominated by the Insured from time to time or as reflected in the Insurer's records. Any communication by the Insurer to the Insured by means of short message service to the mobile telephone number nominated by the Insured from time to time or as reflected in the Insurer's records shall be deemed as having been received by the Insured. For this purpose, the Insured acknowledges that it is the Insured's sole and exclusive duty to notify the Insurer of any change of the Insured's contact details.

Signed on behalf of Trustco Insurance Ltd.



Annette Brand  
CEO: Trustco Insurance Ltd.