



SUMMARY OF FIDELITY AND COMPUTER CRIME POLICY CHANGES

For your ease of reference, we have compiled this summary that provides an overview of all the changes to our policy wordings.

The changes have been grouped as follows:

- A) Clarifications – no impact on cover
- B) Changes to Policy Conditions and Exclusions – impact on cover
- C) Changes to Computer and Data Protection – impact on cover

Please note that newly inserted text has been highlighted in **green**, while text that has been deleted is highlighted in **yellow**.

The page numbers referred to are those of the new wording.

#	Page	Description	Commentary
Part A) Clarifications - no impact on cover			
A.1	5	<p>Amendment to definition:</p> <p>INTERNAL CRIME "Internal crime means any theft, fraudulent or dishonest single, continuous or repeated act(s) or a series of acts committed by an insurable person acting alone or in collusion with others, with the intent to cause you loss, or to obtain improper financial gain."</p>	<p>Clarification to highlight requirement that to be considered a crime there must be intent to cause loss or obtain improper financial gain.</p>
A.2	5	<p>Amendment to definition:</p> <p>EXTERNAL CRIME "External crime means any fraudulent or dishonest single, continuous or repeated act(s) or a series of acts committed by a third party acting alone or in collusion with others, of:</p> <ul style="list-style-type: none"> a) Theft of funds b) forgery; c) fraudulent alteration; d) fraudulent transfer instructions e) counterfeiting f) crime not otherwise insured or excluded under this definition where the third party obtained improper financial gain <p>b) voluntary exchange or purchase unless covered under forgery, fraudulent alteration, fraudulent transfer instructions, counterfeiting or computer crime</p>	<p>Clarification to highlight that theft applies to funds (as opposed to other types of property).</p> <p>Counterfeiting and forgery form part of fraudulent alteration or transfer instructions.</p> <p>The provision for "crimes not otherwise insured or excluded" has been removed to avoid duplication and confusion with covers listed under WHAT YOU ARE COVERED for and EXTRA COVER</p> <p>Exclusion (b) amended to align with counterfeiting and forgery notes above.</p>
A.3	6	<p>Amendment to definition:</p> <p>FRAUDULENT ALTERATION Means a material alteration to any authentic financial instrument for a fraudulent or dishonest purpose by any person. Any financial instrument which has been fictitiously or fraudulently created from the outset is not deemed to be a fraudulent alteration.</p>	<p>Clarification to highlight that an item that has been created fictitiously from the outset does not constitute an "alteration".</p>

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A.4	7	Amendment to definition: FUNDS Means money or securities owned by you , received by you , or collected on your behalf, which has been, or was to be used for the financial management of your affairs or tangible property owned by you .	Clarification to make it clear that theft cover applies to monetary funds
A.5	7	Amendment to definition: LIMIT OF INDEMNITY Means the most you can claim for any one incident, or in any one annual period of insurance , where so indicated. The amount is shown against the item in the schedule as the Limit of Indemnity. All claims or losses relating to the same act or series of acts committed by one person or in which one person is involved will be considered to be one loss for the purposes of the application of the Limit of Indemnity.	Clarification to highlight how the limit of indemnity is applied in cases where multiple incidents have taken place
A.6	8	Amendment to definition: LOSS Means the direct financial loss of funds sustained by you as a direct result of a criminal act or improper financial gain and will include investigation costs and data reconstruction costs.	Clarification – improper financial gain forms part of criminal act – see changes to Internal Crime definition
A.7	9	Amendment to definition: SUM INSURED Means the maximum amount you can claim for any one incident. The amount is shown against the item in the schedule as the Sum Insured. All claims or losses relating to the same act or series of acts committed by one person or in which one person is involved will be considered to be one loss for the purposes of the application of the Sum Insured.	Clarification to highlight how the sum insured is applied in cases where multiple incidents have taken place
A.8	17	Amendment to General Conditions and Provisions: INCREASE IN LIMIT OF INDEMNITY Should the limit of indemnity be altered during the period of insurance the limit of indemnity which applied when you first became aware of the event will apply to all claims made or deemed to have been made or arising out of such event shall only apply to claims made or deemed to have been made after the date of such increase unless otherwise agreed in writing.	Clarification to simplify how a change to the limit of indemnity will be applied.

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A.9	18	<p>Inclusion under General Conditions and Provisions:</p> <p>POLICY CHANGES</p> <p>You may make changes to this policy at any time. No changes to this policy will be valid unless agreed to by us. A change to the policy will only be valid if we have issued a schedule noting the change in cover. We may change your policy by giving you 31 days' notice</p>	<p>Inclusion of new condition to clarify how changes to the policy can be made.</p>
Part B) Changes to Policy Conditions and Exclusions - impact on cover			
B.1	8	<p>Amendment to definition:</p> <p>MANAGING AGENT</p> <p>Means a person or company and its employees with delegated functions, appointed by the body corporate or the company, to control, manage and administer the business or affairs of the body corporate or the company. The appointment must be a written contract between the managing agent and the body corporate or the company.</p>	<p>Requirement added to ensure that a managing agent is appointed in terms of a written agreement, representing good business practice.</p>
B.2	9	<p>New definition added:</p> <p>TWO-STEP VERIFICATION PROCESS</p> <p>Means a verification process that comprises two or more independent procedures being carried out to verify and confirm the legitimacy of any instruction to change banking details, add or amend beneficiaries, or attend to the withdrawal or transfer of funds. As a minimum the two-step verification process should include both a written or electronic confirmation as well as a separate and independent telephonic verification.</p>	<p>New definition inserted to define the process and financial controls that should be in place regarding making changes to bank accounts and beneficiaries.</p> <p>Due to the significant increase in fraudulent bank account instructions a two-step verification process is an essential financial control that needs to be in place.</p>
B.3	13	<p>New exclusion added:</p> <p>k) loss directly or indirectly caused or facilitated by any form of payment, transfer of funds or change of banking details or beneficiaries, unless such payment, transfer or change was authorised by two bank signatories who are not related by birth or marriage and do not live in the same household.</p>	<p>This exclusion has become necessary due to the high number of instances observed where proper financial controls have either not been implemented or ignored by those handling funds.</p>

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B.4	13	New exclusion added l) loss directly or indirectly caused or facilitated by any instruction to change banking details, add or amend beneficiaries, withdraw or transfer funds unless a two-step verification process was carried out before such instruction was processed	This exclusion has become necessary due to the high number of instances observed where proper financial controls have either not been implemented or ignored by those handling funds.
B.5	16	New policy condition: ACTS AND REGULATIONS You must comply with all statutory obligations, laws and regulations of the Community Schemes Ombud Service Act, 2011 (Act 9 of 2011) and the Sectional Titles Schemes Management Act, 2011 (Act 8 of 2011) as well as the Regulations proclaimed on 07 October 2016.	Compliance with all relevant laws and regulations is essential to proper financial governance
Part C) Changes to Computer & Data Protection – impact on cover			
C.1	4	Definition of Computer Virus amended by removal of section b): computer virus as defined in a) above which causes the destruction of the insurable persons electronic data or attempt thereof introduced by any person other than an employee while such data is located as in a) above.	These changes have been made to restrict cover for cyber events and data damage to the insured for occurrences on its own network only.
C.2	5	Amendment to definition: CUSTOMER NOTIFICATION EXPENSES Means those reasonable and necessary expenses you incur following a security breach, privacy breach , or breach of privacy regulations on the computer network of any insurable person your computer network that results in the compromise of your personal information maintained on that computer network .	Definition amended to exclude events that occur on the network of an Insurable Person . Does not affect cover for the insured's own network
C.3	5	Amendment to definition: CYBER EVENT Means any security breach, privacy breach , breach of privacy regulations or an attack by malicious code which occurs on the computer network of an insurable person your computer network .	Definition amended to exclude events that occur on the network of an Insurable Person . Does not affect cover for the insured's own network.

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C.4	6	<p>Amendment to definition:</p> <p>DATA DAMAGE Means;</p> <ul style="list-style-type: none"> a) the criminal and malicious alteration, deletion or corruption of data while such data is in your the custody and control of the insurable person or in transit; b) your data being lost, damaged or destroyed as a direct result of robbery, theft or malicious act; c) the malicious alteration or destruction of electronic computer programs while lawfully stored within the insurable persons your computer network provided that the insurable person is the true owner of such programs or is legally liable for such alteration or destruction. 	<p>Definition amended to exclude damage to data that is stored on the network or under custody and control of an Insurable Person.</p> <p>Does not affect cover for data and programs stored on the insured's own network</p>