

## Premium Rating

**1. Application Fee:**

This has been increased to R 350.00 plus VAT (R 399.00)

**NB: This fee is not refundable.**

**2. Professional Indemnity Cover (PI) and Fidelity Guarantee Cover (FG):**

PI Cover alone will not attract the lower rate, as FG Cover will also be required.

If an intermediary is unable to obtain FG Cover but is able to provide collateral security to cover the full amount of the guarantee required, the lower rate will be applied to the full amount of the guarantee.

**3. Premium Rating:**

	WITHOUT PI & FG COVER	WITH PI & FG COVER
R100 000 - R 250 000	1.60% per annum	0.80% per annum
R 250 001 - R 1000 000	1.27% per annum	0.64% per annum
R 1 000 001 – R 5 000 000	1.08% per annum	0.55% per annum
R 5 000 001 - R 50 000 000	0.77% per annum	0.40% per annum
R 50 000 001 – R 60 000 000	0.40% per annum	0.20% per annum

Please note that if the indemnity limit/sum insured under the PI and FG policies is / are less than the amount of the guarantee then the lower rates will apply only to the lowest of the indemnity limit/sum insured and the balance of the guarantee amount will attract the higher rate.

**4. VAT:**

With effect from 1 October 1996, VAT is chargeable on premiums for guarantees in terms of regulation 4, section 45 of the Short Term Insurance Act.