

Profusion Administrators

Termination Policy

Version1: 12/11/2020

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Introduction:

This policy sets out the termination and cancellation of policies by the Policyholders and Insurers. This policy is set against the provisions of the Policyholder Protection Rules (PPR) 2017, the Short-term Insurance Act, 1998 and the provisions of the FAIS Act 2002.

This policy establishes the rights and responsibilities of Profusion Administrators, Policyholders and the Insurer when cancelling or terminating a policy. It provides detail for the termination procedures, time frames and pro-rata or premium refunds. This policy further highlights the cooling-off rights of the policyholder when entering into or renewing a policy.

Time Frames:

In terms of cooling off rights, termination requests received within 14-days after the date of inception of the policy or from a reasonable date on which it can be deemed that the policyholder received the contract will be cancelled and a refund will be processed within 30 days provided that no benefit has yet been paid or claimed. Cooling-off rights are applicable to policies where the term of the policy is longer than 31 days.

For term and monthly policy following that the period of cooling-off rights has passed policies will be cancelled immediately upon receipt of the cancellation request and supporting documentation. Refunds be it a pro-rata refund on a term policy or a premium refund for a monthly policy will be processed within 30 days from the date of cancellation or the strike date of the final premium debit order, whichever is applicable.

Record Keeping:

All communication and documentation are uploaded and stored on Profusions electronic system Easy Broker. Records are retained for a minimum of 5-years from the date of cancellation or last transaction.

Allocation of responsibilities:

Cancellation requests are handled by both staff members within Profusion Administrators, which includes communication with clients, collection of documentation as well as generating calculation sheets and Bordeaux payment requests.

Payment and verification of pro-rata requests, premium refunds and other payments are performed by the Operations Manager.



Cancellation/ Termination Requests post cooling-off period (Term Policies):

Client requests the termination of policy:

- All termination/ cancellation requests must be sent in writing via email or fax.
- Clients to complete cancellation form, completing the necessary details such as ID number, contact details and product selection.
- Client needs to provide the reason for cancellation for record keeping purposes. (Annexure A)



Once all documentation has been completed and received, Profusion to issue a pro-rata refund on the term policy should this be applicable:

- Pro-rata refunds are calculated as the price of the policy including vat, minus the dealer incentive and admin fee.
- Then the transaction period in months minus the used period of cover in months is calculated.
- The difference between the period of cover and the period used gives the pro-rata refund amount.



Once calculations are completed cancellation confirmation is provided to the client in writing via email attached with the calculation sheet and confirmation to whom the pro-rata refund will be made, either the clients personal account or to the clients finance house.



Pro-rata refunds are paid within 30 days from the date where cancellation confirmation was provided to the client. Payment requests are submitted with the calculation sheet, a Bordeaux and bank account confirmation letter from either the client or the finance house.

All communication is uploaded and stored on Profusions electronic Easy Broker site under the client's policy, including written communication and all relevant documentation.

Profusion staff to check clients claim history before calculating or issuing a pro-rata refund.

Clients are not eligible to a pro-rata refund if they have claimed any benefits from the policy.

Should a client request a pro-rata refund back dated before the termination request had been received the onus is on the client to justify the reason for the back date and to provide the relevant documentation as proof that the insured item had been written-off, stolen, sold or traded in prior to requesting cancellation.

Cancellation/ Termination Requests post cooling-off period (Monthly Policies):

Client requests the termination of policy:

- All termination/ cancellation requests must be sent in writing via email or fax.
- Clients to complete cancellation form, completing the necessary details such as ID number, contact details and product selection.
- Client needs to provide the reason for cancellation for record keeping purposes. (Annexure A)



Once all documentation has been completed and received, Profusion will cancel the policy and provide confirmation to the policyholder in writing.

- Policyholders will be informed that a 30-day written notice period is applicable when cancelling the policy.
- The final debit order collection date will be confirmed to the policyholder.



Policyholders requesting a premium refund prior to the date of cancellation will bear the onus of proof that the vehicle had been stolen or written-off, traded in or sold. In such situations the decision to reimburse the policyholder will be left to the underwriting manager based on the information at hand.

Any premium refunds issued will be made back into the policyholders designated bank account which is recorded on the system.

Any premium refunds will be paid within 30 days from the date of cancellation.

All communication is uploaded and stored on Profusions electronic Easy Broker site under the client's policy, including written communication and all relevant documentation.

Profusion staff to check clients claim history before calculating or issuing a premium refund.

Clients are not eligible to a premium refund if they have claimed any benefits from the policy.

Cancellation/ Termination Requests within the cooling-off period (Term Policies):

Client requests the termination of policy within 14-days of receipt of the contract and where the term of the policy is longer than 31-days.

- The termination request must be sent in writing to Profusion via email or fax.
- Clients to complete cancellation form, completing the necessary details such as ID number, contact details and product selection.
- Client needs to provide the reason for cancellation for record keeping purposes. (Annexure A)



Once all documentation has been completed and received, Profusion to issue a pro-rata refund on the policy:

- Pro-rata refunds are calculated as the price of the policy including vat, minus the dealer incentive and admin fee.
- Refunds will either be paid back into the client's personal bank account or finance house depending on the type of product and the manner in which the product was purchased.

All communication is uploaded and stored on Profusions electronic Easy Broker site under the client's policy, including written communication and all relevant documentation.

Profusion staff to check clients claim history before calculating or issuing a premium refund or pro-rata refund.

Clients are not eligible to a refund if they have claimed against any benefits from the policy.

Cancellation/ Termination by Profusion Administrators:

- As per Profusions Binder agreement with Guardrisk Insurance Company and as a appointed UMA (Underwriting Management Agency), Profusion have the authority to cancel a policyholders policy for reasons other than:
 - The non-payment of a premium;
 - A material change in risk covered under the policy that in terms of the policy results in the policy automatically coming to an end;
 - Provides Profusion the right to end the policy where immediate termination is required by law.
- Profusion must provide the policyholder with at least **31-days** written notice of the intended termination.

In the event that Profusion terminates a policy for other reasons, Profusion will remain liable under the policy for the shorter of a period of 31-days after the date on which the policyholder was made aware of the intended termination of the policy, or the period until Profusion receives proof that the policyholder has entered into another policy in respect of similar risk to those covered under the policy that is intended to be terminated.



1. Profusion to provide 31-days written notice to the policyholder of intent to terminate the policy.
 - a. Written confirmation in the form of email, SMS or a physical letter to the policyholders last known address.
2. Proof of delivery must be recorded and stored; proof can be in the form of a delivery report, a read report or letter reference and tracing number.
3. Should a pro-rata refund or premium refund be required, Profusion employees to complete the necessary calculations and obtain the required documentation as stated within this document.
4. All communication, documentation and material facts to be recorded and stored on Profusions electronic system Easy Broker.

Annexure A: Policy cancellation/ termination form



These are not just words. They are the words we live by:

- ✓ Quality ✓ Value-add ✓ Ethics ✓ Customer Concern
- ✓ Integrity ✓ Honesty ✓ Communication ✓ Customer Satisfaction

Profusion Administrators
Debit Order/ Policy Cancellation Form

Policy no: _____ Cell phone no: _____
 ID no: _____ Email: _____
 Client name: _____ Vehicle : _____
 Client surname: _____

<u>Policy Name</u>	<u>Reason for cancellation</u>	<u>Select products to be cancelled</u>
Guardrisk Top Up (Fury) Monthly Policy		
Guardrisk Retrenchment Policy		
Fury Mech Protect Warranty Booster Policy		
Fury Tyre and Rim Monthly Policy		
Fury Tyre and Rim Term Policy		

Kindly note that there is a 31-day written notice period applicable when cancelling your policy or debit order date.

If applicable the date of the final debit order collection will be confirmed via email.

Date: _____ Name: _____ Signature: _____

Profusion Administrators License No. FSP 43671

Profusion is an authorised (UMA) Underwriting Management Authority

Profusion operates in accordance to the provisions of the FAIS Act and we are an authorised Financial Service Provider

Profusion is authorised to provide Intermediary Services on Short-Term Personal Lines and Short-Term Commercial, Insurance Products.

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✓ Administration

✓ Collections

✓ Claim Management