



Authorised Financial Services Provider • FSP Number 38225

We do ordinary things, *extra-ordinarily* well



A licensed non-life insurer and authorised financial services provider [FSP no: 2092]

6.22

Section 155 Compromise defined:

A Section 155 Compromise is a compromise reached between a debtor company and its creditors. Also known as an informal mechanism of restructuring a company’s obligations to its creditors, established under Section 155 of the Companies Act, No 71 of 2008 (“the Act”).

As the company owes creditors money and faces financial difficulties it is called and referred to as the “debtor company”. Once a compromise is proposed by the debtor company or its liquidator (if liquidation preceded the proposal), creditors must vote on the proposal and the court must thereafter make the compromise an order of court.

A Receiver is appointed by a Court (“the Appointee”) to administer the claims of creditors of the debtor Company set out in the proposal/ scheme of compromise.

PROFESSIONAL INDEMNITY

Genoa Underwriting Managers, **on behalf of Safire Insurance Company Limited**, offers a bespoke Professional Indemnity Policy to cover negligence by an Appointee.

The Professional Indemnity cover is underwritten on a **claims-made basis** and is designed to indemnify the Insured in respect of his/ her/ their legal liability to pay compensation (including interest, claimant’s costs, fees and expenses) as a result of actual or alleged act(s), error(s) or omission(s) amounting to negligence in the exercise of his/ her/ their powers, performance or functions in office as Appointee(s) in the execution of the Court Order, within the territorial limits, on or after the Inception/Retroactive Date shown in the Schedule.

Cover is offered on an **individual matter** basis with quarterly, half yearly or annual payment options.

The policy is extended to include named **Subcontractors** mandated by the Appointee(s) in relation to Professional

activities and duties performed on his/ her/their behalf in relation to the Debtor Company.

An **Extended Reporting Period (ERP)** of 12, 24 or 36 months may be selected. The ERP extends the period of time in which the Insured may report a claim after termination of the individual policy, provided that:

- a) the cause or circumstances giving rise to the claim occurred during the Period of Insurance; and
- b) indemnity is excluded where causes or circumstances which give rise to a claim, occurred during the Extended Reporting Period.

FIDELITY GUARANTEE

Fidelity Guarantee cover may also be selected under the Policy, and this Section covers loss of money and/or other property belonging to the Debtor Company or for which it is responsible, arising from:

- 1) theft by an Appointee or nominated Subcontractor; or
- 2) fraud or dishonesty by an Appointee or nominated Subcontractor.

Cover is specifically on a Named Person Basis.

We give each client the promise of quick and efficient resolution of claims and a team of professionals to appoint where defence is required.

Specific documents pertaining to the court appointment in relation to the Debtor Company will be required by Genoa to assess the eligibility for cover and for a quotation to be provided.

PLEASE NOTE

The above is meant to be a summary of the cover and at all times the terms and conditions contained in the Policy Wording and Schedule of Cover will take preference should a conflict arise. Terms and Conditions apply.