

SAFCA

(Southern African Forestry Contractors Association)

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SAFCA / SAPPI / WESTERN CAPE RENEWAL

Annual Update for 2015 / 2016:

MEMBERSHIP / PUBLIC LIABILITY INSURANCE FORESTRY CONTRACTING OPERATIONS

Mark with 'x' as applicable: 1. SAFCA 2. SAPPI 3. Western Cape
(If you work for Sappi AND any other entity, mark 1 & 2. Same applies to 3 if you also work in Western or Eastern Cape province for Cape Pine or any one else).

1. GENERAL BUSINESS INFORMATION :

1.1. Registered name of business _____.
Trading as (if applicable) _____.

1.2. Type of business (underline): Oneman concern / partnership / closed corporation (CC) / company (Pty. Ltd.) / trust. If other type, please specify : _____.

1.3. Registration no (If a CC / Pty. Ltd. / Ltd / Trust): _____.
RSA ID no. (if applicant a Sole proprietor or Partnership): _____.

1.4. Physical address : _____ . Postal address: _____ .

_____ Code_ _____.

1.5. Tel.no.: Code _____ No. _____ . Cellphone no.: _____ .

1.6. Fax no.: Code _____ No. _____ . E-mail address : _____ .
Alternative email address: _____ .

NB - You MUST supply an email address or fax number, preferably both. If available, please supply an alternative email address, e.g. the forester you are reporting to.

2. COVER ELECTED:

Two levels of cover are available from renewal 1 May 2015 – the standard level and an increased level:

Select level of cover by replying “yes” next to it:

Standard level: (SAFCA/CAPE – R5.0 million, Sappi – R5.5 million) - _____.

Increased level: R10.0 million - _____ (spread of fire claims only).

Initial.

3. REPRESENTATION :

3.1. The business is and/or will be managed and represented by the following person/-s:

Name.	Forestry experience or applicable qualifications.	Capacity (manager/director/member).
3.1.1. _____	_____	_____
3.1.2. _____	_____	_____

4. TURNOVER - RAND:

	SAFCA	SAPPI	CAPE
Annual turnover - immediate past twelve months:	R _____.	_____.	_____.
Annual turnover - estimate next twelve months :	R _____.	_____.	_____.

(**Only** turnover as applicable to **forestry contracting** operations)

5. FORESTRY CONTRACTING ACTIVITIES:

NB NB – If you do fire break preparation with fire and/or do block and/or slash burning or any other intentional burning activities (incidental fire fighting not applicable here) and such activity/-ies are not declared herewith, no claim resulting from such activity will be entertained as your insurance policy and certificate have to be specifically extended for such activities.

5.1. **NOTE** - Contractually agreed activities must be underlined and also forestry activities which flow naturally from or result from contractual activities. Underline each applicable activity if more than one apply.

Harvesting (manual operations): Clearfell manual / thinnings manual / cable yarding / harvesting burnt timber / extraction manual.

Harvesting (mechanised operations): clearfell mechanised / thinnings mechanised / extraction mechanised.

Loading : station loading / depot loading / infield loading.

Silviculture (manual operations): soil preparation / plantation precleaning / planting / pruning / slashing / chemical weed control / manual weed control.

Silviculture (mechanised operations): soil preparation / plantation precleaning / pitting / planting / woodchipping / mulching.

Application of fire : fire break preparation / burning of slash / block burning / land clearing.

Fire : fire fighting / manning of lookout towers / fire detection by video surveillance.

Transport : longhaul / shorthaul - truck / shorthaul - tractor.

Roads : making of roads / road maintenance / road slashing.

Maintenance : roads / mechanical / buildings / fire lookout towers.

Security : plantation guards / access control / guarding offices and/or villages.

General : village management/depot handling/charcoalproducer/garden services/eco tourism / stump cutting or grinding / banana stick-dropper producing / nursery / mensuration / catering.

Any other activities not listed above :

5.2. Specify activities in terms of an approximate percentage of your rand turnover (e.g. silviculture = pruning, slashing - 60% and transport = short haul - 40%, etc.) :

Initial

6. STAFF:

	SAFCA	SAPPI	CAPE
Number of staff:			
Management:	_____.	_____.	_____.
Supervisors:	_____.	_____.	_____.
Mechanics:	_____.	_____.	_____.
General drivers:	_____.	_____.	_____.
Truck drivers (S/H):	_____.	_____.	_____ (Shorthaul).
Truck drivers (L/H)	_____.	_____.	_____ (Longhaul).
Tractor drivers:	_____.	_____.	_____.
Bell / skidder operators:	_____.	_____.	_____.
Mech. Harv. Operators:	_____.	_____.	_____.
Mech. Silvics Operators:	_____.	_____.	_____.
Mech. Mulching Operators:	_____.	_____.	_____.
Cable yarding operators:	_____.	_____.	_____.
Chain saw operators:	_____.	_____.	_____.
Administrative staff:	_____.	_____.	_____.
Control room staff:	_____.	_____.	_____ (digital video fire detection).
Technicians:	_____.	_____.	_____ (digital video fire detection).
All other staff:	_____.	_____.	_____.
Total number:	_____.	_____.	_____.

7. On behalf of which companies do you do forestry contracting?

Company :	Type of activity :	Approx % i.r.o. RAND turnover:
_____	_____	_____.
_____	_____	_____.
_____	_____	_____.
_____	_____	_____.

8. ONLY APPLICABLE and to be completed if you have listed “application of fire” as a contract activity – answer the following questions in respect of staff employed:

8.1. Minimum level of training by general workers on the ground (e.g basic fire fighting course): _____

8.2. Level of fire fighting training of supervisor present at fire - _____

8.3. What is the highest level of fire fighting training of management of your business - _____

8.4. List ALL companies and/or principals you do burning work for:

- 8.4.1. _____ 8.4.2. _____
- 8.4.3. _____ 8.4.4. _____
- 8.4.4. _____ 8.4.6. _____

9. Physical area /s in which you are operating now or envisage where you may be operating during the next 12 months:

Province: _____ . District: _____.

- Plantations:
1. _____ (on behalf of which company _____).
 2. _____ (on behalf of which company _____).
 3. _____ (on behalf of which company _____).
 4. _____ (on behalf of which company _____).
 5. _____ (on behalf of which company _____).

(If you operate at more locations, please specify in the same format on separate sheet and attach it hereto).

_____ Initial

10. Forestry contracting and other enterprises:

NOTE 1 – Questions 10.1 to 10.4 ONLY applicable and must be completed if you run another business enterprise/-s over and above your forestry contracting enterprise/-s (for example - farming, construction, sawmilling, non-forestry related transport, retail, etc.).

NOTE 2 – Questions NOT applicable if ALL your enterprises are bona fide forestry contracting operations AND all are individually registered with SAFCA as members.

10.1. Do you utilise specific employees strictly in one enterprise or do you transfer them between the various enterprises as the need arises? Please respond as completely as possible. _____

10.2. Are your employees **randomly** utilised between your respective enterprises?
Yes / No.

10.3. Do you have written employment agreements with **ALL** your employees, irrespective of by which enterprise they are employed?
Yes / No.

10.4. Are you willing to make your **forestry contracting** enterprise’s employment agreements available for inspection by a representative from SAFCA or Forestry & General?
Yes / No.

11. **Safety:**

What processes do you apply (if any) to manage safety and risks within your business?

Underline the applicable method or methods you use:

Management meetings / toolbox talks without minutes of the meeting / toolbox talks with minutes of the meeting / infield inspections of adherence to safety practices by management/owner / infield inspections of adherence to safety practices by supervisors / none of the above mentioned.

12. Do you have any comments or information other than requested in the above questions, which may affect the likelihood of liability attaching to you and/or your company and/or your employees or which may cause an insurer/underwriter to refuse cover for liability insurance and/or to impose special terms or conditions to your cover?

13. Has any insurer / underwriter refused to renew or cancelled or imposed special terms your business’ shortterm insurance policy since 1 May 2014? Yes / No
If ‘yes’, please give reason/s.

DECLARATION BY MEMBER AND/OR AUTHORISED MEMBER REPRESENTATIVE:

I/we, the MEMBER/-S and undersigned, hereby declare:

1. The information provided herein is true and correct;
2. I/we accept the constitution of the Southern African Forestry Contractors Association (trading as SAFCA) as binding upon me/us. I/we further acknowledge and agree that the entire original application in conjunction with this annual update, form the basis of any insurance policy contract issued or to be issued, including amendments to original application, as declared in this renewal form or prior annual renewal forms submitted by me/us;

(Declaration continues on next page)

Initial.

3. I/we further acknowledge that if I/we are completing the annual update on behalf of a juristic person, that I am/we are fully authorised to make, complete and sign this update and bind such legal entity herein and personally warrant it as such;

4. Neither me/us, nor my/our company, nor my/our employees, have been involved in any incident/s prior to completion/signing of this update (specifically as from 1 May 2014) and that had not been reported to Forestry & General Insurance Brokers CC and which may give rise to a claim/s being made against me/us resulting from my/our negligent or wilful actions and/or contractual obligations. I/we are aware and admit that should such a claim be lodged against me/ us or my/our business, my/our cover will be prejudiced in terms of the policy issued or to be issued or the cover granted in terms of such policy. I/we undertake to immediately inform SAFCA and/or Forestry & General Insurance Brokers CC in writing of any incident which may lead to a possible claim against me/us/our business entity which may occurred prior to 1 May 2015, but after having completed and submitted this renewal form;

5. I/we agree that I/we have not withheld any information and/or circumstance which could reasonably be expected to be known to myself/us and as such to be delared herewith and might have affected my/our continued cover or to receive cover in terms of the policy/-ies issued or to be issued;

6. I/we accept and agree that the underwriters/insurers, and/or their representatives and/or their agents, of the public liability policy/-ies issued or to be issued are not bound or restricted in any manner in any of their rights or the exercise thereof, by any information supplied or withheld herein and all their rights are reserved;

7. I/we undertake to immediately inform the underwriter/insurer and/or their agents in writing, of any change in my/our company's circumstances which may affect my/our eligibility for cover or continued cover in terms of the abovementioned policy contract/-s;

8. I/we agree to the terms and conditions of the policy issued or to be issued and recognise and agree that the complete wording of the policy is available at the offices of the Association for my/our inspection and perusal. It will be given to me/us, should I/we elect to do so and request a copy. Failure to peruse the complete wording at any time, will in no manner or cause constitute a defence or exception howsoever, from adhering to the complete wording of the policy issued to SAFCA and its members.

9. I/we agree that the cover offered by the policy issued or to be issued, can and will only be applicable to bona fide forestry contracting operations or activities.

Thus done and signed at _____ on this _____ day
of _____ 2015.

Signature _____

Initials & surname _____

Company: _____

Annexure A**"controlled smoking"- warranty :**

The insured and/or insured member herewith agrees to the following being made applicable to its, his/her liability policy effective 1 (one) May 2015:

No smoking of tobacco, or any other substance, will be allowed by the insured and its members in circumstances other than stated herewith:

1. All employees to be informed of tobacco smoking policy. Such information to be given or read to and if necessary explained to the employee, by the insured member or a senior employee of the insured (at least a supervisor), what the nature and application of the policy is. Such information and/or instruction to be given to the employee not later than 21 days after the date of inception of employment.
2. The insured member must keep a record of such instruction given to employees by means of a statement which contains the name of the employer, the name and surname of the employee, date of first employment, date of the instruction / information given and either the thumb print or signature of the employee next to his/her name. Such confirmation of instruction to the employee, may be contained in a written and signed employment agreement with such employee.
3. The smoking policy must at least state the places and times when smoking of tobacco or any other substance, will be allowed and where and when it will not be allowed. Copy of such smoking policy and record of instructions to employees to be submitted by the insured member to the insurer in the event of a claim for spread of fire being reported. The records submitted to the insurer must be for at least a period of two months prior to and including the date of fire.
4. In the event of a new member or new employees of a member, allowance will be made for the period which the member have taken part and this warranty clause interpreted as such, with particular reference to the period of keeping of records referred to in clause 3.
5. In the event of existing insured members who had been insured members on a continuous monthly basis in the year prior to the annual renewal of the policy and continue to be insured members, such records of instruction which may be of an earlier date than renewal of the policy, will be accepted.

Signature : _____ .

Annexure B**Subcontractors Exclusion :**

No indemnity in terms of this insurance policy will be afforded to any subcontractor to the Primary Forestry Contractor purely on the basis that such subcontractor executes duties on behalf of the Primary Forestry Contractor as is required or necessary per the agreement concluded with the Principal Party (the plantation owner and/or land owner and/or the lease holder or owner of standing timber), by the Primary Forestry Contractor. Such subcontractor will only receive indemnity in term of this policy if such (Annexure B - continues on next page)

(Annexure B – continued)

subcontractor obtains cover in his/her/its/their own name as a member of SAFCA. For the purposes of this clause, the Primary Forestry Contractor will be deemed to be the party or parties whom has entered into an agreement in his/her/its/their own name with the Principal Party on whose behalf the forestry contracting services are rendered (the plantation owner and/or land owner and/or the lease holder or owner of standing timber). In the absence of any formal written agreement, the Primary Forestry Contractor will be the party whom renders in its own name an invoice or account for services rendered to the principal Party in the agreement and/or whom receives direct payment from the Principal Party for such services rendered.

A subcontractor is any party who is not a Primary Forestry Contractor as stated above or any party or person that cannot be considered to be an employee as defined in the Basic Conditions of Employment Act no. 75 of 1997 (as amended) and the Labour Relations Act no. 28 of 1995 (as amended).

Signature : _____ .

Annexure C

Condition precedent.

Villages and campongs

“In the event of the Insured Contractor Member’s employees being housed in a village or kampong, the following minimum standards must be adhered to, irrespective of whether such village and/or kampong units are within plantation boundaries or not:

- A fire break of such size that can be considered reasonable in the circumstances, must be around the perimeter of village or kampong and the condition of the fire break complying with the requirements of the National Veld and Forest Fire Act no. 101 of 1998 (as amended);
 - No open fires may be made on the ground. All cooking and warming fires to be made in a semi-enclosed metal or concrete container or surface, or enclosed room which is suitable for that purpose;
 - All fires must be appropriately and properly extinguished after use, be it with water or sand or soil as is available;
 - No ash and/or coals may be discarded in the open veld or on open ground or in the fire break around the kampong or village or in a general purpose refuse hole. No cover is given for liability attaching due to damages or loss resulting from coals or ash discarded as aforementioned;
 - A fire break (free of combustible material) of such size that can be considered reasonable in the circumstances and with due regard to standards prescribed in the National Veld and Forest Fire Act (101 of 1998 as amended) around the perimeter of any general refuse hole (which is or will be utilised by such kampong or village);
 - No contents of any refuse hole may be burned on any day that intentional burning has been generally or specifically forbidden either by statute or regulation or proclamation or instruction of the timber owner or the landowner or the principal of the Insured Contractor Member, or on any other such day that may reasonably be considered to be detrimental to the lighting of fires in a forestry
- (Annexure C continues on next page)

(Annexure C – continued).

environment, with specific reference to the Fire Danger Index. The Insured Contractor Member must ensure the fire (in the event of the burning of a refuse hole), has been properly extinguished at the end of the day upon which such fire was lit. For the purposes of this clause, the 'end of the day' shall mean before sunset;

- In the event of an Insured Contractor Member having a fire which causes damage to the property of a third party or injuries to any person, the onus of proof rests upon the Insured Contractor Member to provide evidence as to whether the size and condition of the fire breaks were reasonable or not, if the underwriters allege that the standard of it being reasonable has not been met.”

Signature : _____

Annexure D

Warranty – all intentional burning activities

“It is herewith warranted that the following minimum procedures will be adhered to prior to commencing any burning operation, be it fire break preparation, burning of slash or block burning or any other similar activity where fire is intentionally applied –

- A burning permit must be issued to the Insured Contractor Member and by the relevant Fire Protection Association and/or timber grower and/or land owner (as is applicable and hereinafter called the Principal). The burning permit must at least include the planned date upon which any burning activity is to be undertaken and the specific area to be burned;
 - In the event of a general burning instruction being issued to the Insured Contractor Member (that is a defined area to be burned on the dates and times as considered reasonable and acceptable to the Insured Contractor Member) by the Principal to the Insured Contractor Member, the Insured Member must ensure that he/she/it complies with the requirements of the National Veld and Forest Fire Act (101 of 1998, as amended) and regulations and/or instructions issued by the relevant Fire Protection Association and/or any prohibitions issued by the government department responsible for the commercial forestry industry. The onus of proof of such compliance rests with the Insured Member;
 - In the absence of a general instruction to burn, the Principal of the Insured Contractor Member, must issue a written instruction to the Insured Contractor Member on the actual day that the burning activity is to take place, such instruction given by an employee of the Principal (or any other such authorised person) duly authorised to issue such instruction;
 - The Insured Contractor Member must obtain the local Fire Danger Index (FDI) in writing prior to commencing any actual burning activity and such FDI must indicate reasonable conditions to commence burning and such data may not be older than approximately 24 hours from the actual time that burning is initiated. The data as it relates to the FDI, may be received via the Short Message Service (SMS) or other application on such cellular telephone or electronic tablet of a
- (Annexure D continues on next page)

(Annexure D continued)

manager or other accountable senior employee of the Insured Contractor Member. Such data must be available for inspection by the insurer in the event of a claim;

- In the event of the Insured Contractor Member being instructed by the Principal to cease burning due to whatever reason and the Insured Contractor Member wilfully does not cease burning within a reasonable period of time or is instructed by the Principal not to start burning (due to whatever reason) and the Insured Contractor Member proceeds to burn, no cover is given for such activity;
- In the event of the Principal having Standard Operating Procedures (SOP) for the burning activities and the Insured Contractor Member wilfully does not follow the SOP during burning activities, no cover is given for loss or damages resulting from such activity.”

Signature : _____

Annexure E

Exclusion - Financial Interest:

1. The indemnity granted herein specifically excludes claims against any member, where the claimant or owner of the damaged goods has any financial interest in the member or vice versa or where any person associated in business with or related with the second degree of consanguinity or affinity to the other party exists.

2. Any such interest held by any other person as described above, be it a natural or juristic person, *nomine officii* and/or on instruction of either the member and/or above described relation, which interest or interests are held to the ultimate benefit or control of the member or relation, must be stated on the application form when completed or any later date when such interest may be acquired or gained control over. No indemnity of whatsoever nature is provided for the member or relation or such nominee in terms of the indemnity provided.

3. Interests (in particular shares or bonds or options available in the open market) held in listed public companies or by a contractor member of the SA Forestry Contractors Association (SAFCA) or any relation to any relation to any degree of consanguinity or affinity, or any nominee, will not be deemed to exclude such contractor from indemnity against claims lodged by such public company or any other party against such contractor.

Signature: _____

(Explanatory note – the above clause’s intention is to exclude cover where the principal and the forestry contractor employed, have shared shareholding, members interest or any other financial control of the contractor by the principal or vice versa)

SOUTHERN AFRICAN FORESTRY CONTRACTORS ASSOCIATION.
SUMMARY - PUBLIC LIABILITY INSURANCE – 2015 / 2016.

- Policy numbers :** S 02914 (SAFCA General), S02917 (SAFCA Sappi), S02915 (SAFCA Cape).
- Assured :** SAFCA and its members whom are bona fide forestry contractors (including any Sappi forestry contractors).
- Cover :** General public liability insurance (including spread of fire), subject to membership of SAFCA and payment of of monthly membership levies and insurance premium.
- Business :** Activities of tree felling, silviculture, transport, charcoal producers, gardening services and catering contractors - all pertaining to commercial forestry plantations.
- Inception date :** SAFCA - 01 May 2015. **Individual members** - monthly upon SAFCA levy payment.
- Territorial limits :** RSA, Namibia, Lesotho, Botswana.
- Limits - liability:** General - R5.0 million per claim (Sappi R5.5 million), but not exceeding R10.0 million in the year of insurance for claims arising from the spread of fire for the total scheme (Sappi R11.0 million).
 Products liability - R1.0 million per claim.
 Employers' liability - R2.0 million per claim (Sappi R1.0 million).
- Excess :**
1. Spread of fire claims – : Flat excess per claim of R 50 000. Inclusive of all initial costs up to excess amount.
 2. All other claims - excess R5 000 (liability claims), except where as indicated here below R2 500.
- Conditions :**
1. Basis of cover - losses occurring, subject to active membership at the time.
 2. Limit of liability is inclusive of all costs, fees and expenses.
 3. Cover in respect of a member is deemed to be cancelled immediately, without notice, upon non-payment of monthly levy and/or cessation of membership and this also applies to previous incidents/actions for which a member may still be held liable. "held liable" equates to receiving a letter of demand.
- Extensions :**
1. Wrongful arrest - R100 000 aggregate in the period (R 2500 excess).
 2. Defamation - R100 000 aggregate in the period (R 2500 excess) Note - this cover excludes defamatory statements in published or broadcast media.
 3. Legal defense costs (certain statutory prosecutions) - R 100 000 (R 2500 excess).
- Warranty :** Warranties as attached to the application form and annual update. It is of vital importance that warranties **MUST** be complied with. Applicable warranties : 1. Controlled smoking. 2 Villages and campongs 3. Intentional burning per contractual obligations.
- Important exclusions :**
1. Liability assumed by contractual agreement, unless such liability would have attached in the absence of such agreement.
 2. Liability arising from use or application of any motor vehicle/trailer/mechanically driven device.
 3. No liability insurance cover afforded for subcontractors of the primary forestry contractor, where such subcontractor is not a member of SAFCA in his/her/it's own name.
- Persons eligible:** Bona fide forestry contractors contributing premiums and membership fees to SAFCA after having completed the required membership application, having been accepted as such and have been issued a certificate of cover for the relevant year of insurance.
- Claims procedures :** **All claims or events (ALL fires to be reported) that may give rise to a claim, must be reported immediately and in writing to Kurt Balzun at Forestry & General (Nelspruit) tel. no. 078 986 9523 / 078 946 5057, fax 086 672 3761 or e-mail kurtb@forestrygeneral.co.za or admin@forestrygenral.co.za.**
- Important note :** This is only a **summary** and is **not intended** to be **representative of all the terms and conditions** of the policy and should not in any way be construed as such. Full wording available for members' perusal at any office of SAFCA (Johannesburg, George or Pietermaritzburg) and Forestry & General Insurance Brokers (Nelspruit). Copy available to any member upon request. Omission to peruse willfully or otherwise will be construed to be that the member agrees to the entire policy wording.

Signature : _____.