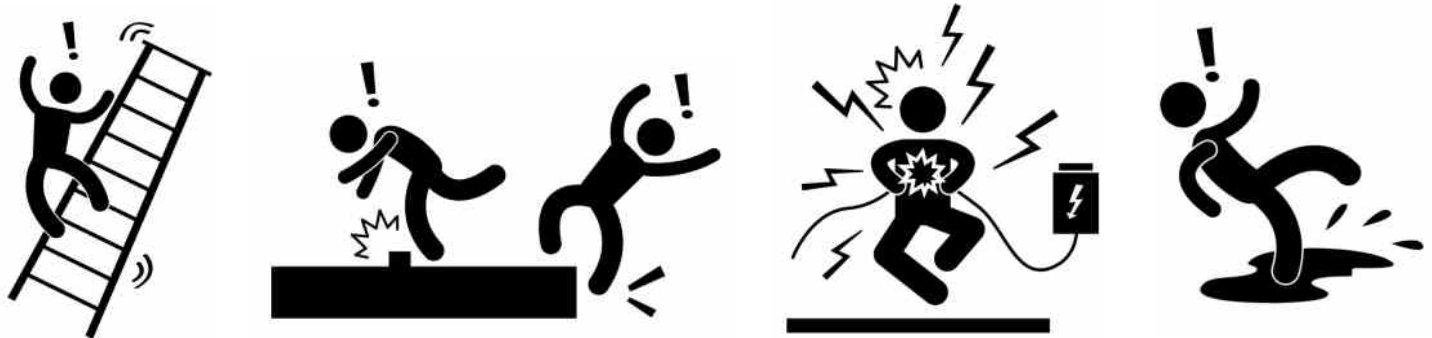


ATTENTION ALL PROPERTY OWNERS:



AS OF FEB 2014, THIS IS YOUR PROBLEM !

Now there is insurance cover available...

The Construction Regulations (2014) **effective from FEBRUARY 2014**, under the **Occupational Health and Safety Act** (No 85 of 1993/Act) state that

“ If a worker is injured on site the **owner, property manager** and the contractor could be held **individually or jointly criminally and / or civilly liable** for failure to comply with the legislation. ”

If you are already undertaking, or are going to undertake maintenance, alterations, extensions, building or demolition work on one of your buildings then the Construction Regulations (2014) effective from 02/14, under the OHS Act (No 85 of 1993/Act) will apply to **YOU**. The intention of this legislation is to help reduce accidents, injuries and ill health affecting maintenance and construction workers on site - an objective we all support.

The Construction Regulations (2014) apply to all *commercial, multi-storey residential and sectional title unit* property owners. **All property owners** are now specifically bound by this legislation.

All property owners must meet basic health and safety duties and responsibilities. The regulations specify that property owners must appoint *only qualified and competent contractors* to perform the work safely and must provide *anyone* working on the premises with, amongst other things;

- *Instructions and adequate resources* for the work to be done safely.
- *Identification of any hazards* on the property - and reduce risks attached to those hazards.
- *A health and safety file* with information required to safely perform the job.

The Department of Labour is determined to make sure that maintenance and construction workers are better protected on construction sites and intends to enforce the Act and legislation vigorously. Even if compliant, all parties can still be taken to court in the event of a death or injury on site - and owners and managers need protection from this.

Your current insurance does not cover these onerous risks brought about by the amendments to the Occupational Health and Safety Act .

4 Steps to arrange OHSI cover...

1

The **Proposal Form** must be completed and sent to your brokers/ Insurers for a quote. Your policy will be issued covering your civil liability exposures in terms of the new Construction Regulations (2014) of the Occupational Health and Safety Act. The limit of R5 mil includes legal defence costs.

2

In order to comply with Construction Regulations a property owner may need the assistance of an Occupational Health and Safety professional to establish a safety file for each property.

3

This file should be provided to all compliant contractors.

4

The Department of Labour **deadline for compliance is August 2015** at this stage. The cover for non-compliant properties will continue until that date and to any future date set by the Department

Only compliant contractors should be appointed and provided with a copy of the safety file as required

The **Proposal Form** is attached.

SAXUM Insurance Limited
Authorised Registered Financial Services Provider - FSP No: 32460

15 Eton Road, Parktown 2193
P.O. Box 1634, Houghton 2041
Tel: +27 (0) 11 694 5900, Fax: +27 (0) 866 638 652
Company Registration No. 2004/011845/06
VAT No. 4310217338 / FSP No: 32460
info@saxuminsurance.com

WHY DOES MY EXISTING POLICY NOT COVER THIS, BUT OHSI DOES?

Under Occupational Health and Safety Insurance (OHSI) cover the property owner will be covered for potential risk exposures from 3 potential sources. This wrap around policy is the only cover that provides this.

Comparison of existing property owner's liability covers and OHSI covers;

COVER	INCLUDED IN EXISTING PROPERTY OWNERS LIABILITY COVERS:	INCLUDED IN OHSI COVERS:	COMMENTS
Property Owners Liability Covers	Yes	Yes	Existing covers will cover property owners only when they as property owner appoint a compliant contractor, provided that the property is compliant. e.g. Painting the property.
Property Managers / Body Corporate Trustees /Property Owners Liability Covers	No	Yes	OHSI covers Property Managers and Body Corporate Trustees in a compliant property where they appoint compliant contractors on behalf of owners. e.g. Security maintenance. With OHSI there are no gaps in the covers as both the owner and the management are insured. This is for any third party claim. The owner is not covered under the existing policies where they had no direct involvement in the appointment of the contractor.
Professional Indemnity covers for Owners, Property Managers and Body Corporate Trustees	No	Yes	Owners, Managers and Body Corporate Trustees are covered in a compliant property if a tenant or owner appoints a contractor without their knowledge or consent. e.g. Fitting an air-con in a unit. In terms of legislation Owners must know if any contractors are working at the property. This is often impossible. They can all be held liable for professional negligence in the event of an injury to the contractor. This is not covered under the existing policies.
Directors and Officers Liability covers for Owners, Property Managers and Body Corporate Trustees	No	Yes	Directors and Officers of either the property or the management company and Body Corporate Trustees are obliged to provide all compliant contractors with the relevant documents and the safety file in terms of the Building Regulations. They often do not know that the contractors are at the property and so do not comply. e.g. Fixing a light bulb. Directors can be held liable in the event of an injury to the contractor as a result. There is no cover for this under existing policies.

A sample of the relevant amendments to the Act are reproduced below:

Revised Construction Regulations effective from 02/2014

Scope of Application

- (1) These Regulations are applicable to all persons involved in construction work.
- (2) The provisions of regulation 3 and regulation 5 will not be applicable where the construction work carried out is in relation to a single storey domestic building for a client who is going to reside in such dwelling upon completion thereof.

Definitions:

“client” means any person for whom construction work is being performed;

“construction work” means any work in connection with-

- (a) The construction, erection, alteration, renovation, repair, demolition or dismantling of or addition to a building or any similar structure or
- (b) The construction, erection, maintenance, demolition or dismantling of any bridge, dam, canal, road, railway, runway, sewer or water reticulations; or the moving of earth, clearing of land, the making of excavation, piling, system or any similar civil engineering structure or any similar type of work;

“health and safety file” means a file, or other record containing the information required in these Regulations;

“health and safety plan” means a site, activity or project specific document prepared by the client pertaining to all health and safety requirements related to construction work.

“structure” means-

- (a) Any building, steel or reinforced concrete structure (not being a building), railway line or siding, bridge, waterworks, reservoir, pipe or pipeline, cable, sewer, sewerage works, fixed vessels, road, drainage works, earthworks, dam, wall, mast, tower, tower crane, bulk mixing plant, pylon, surface and underground tanks, earth retaining structure or any structure designed to preserve or alter any natural feature, and any other similar structure;
- (b) Any false work, scaffold or other structure designed or used to provide support or means of access during construction work; or
- (c) Any fixed plant in respect of construction work which includes installation, commissioning, decommissioning or dismantling and where any such work involves a risk of a person falling;