

Dear Scheme Executive

In our notification last week, we promised you details of the fidelity insurance taken out for your scheme as part of a Whitfields bulk policy. To recap what was covered in that notification :

- Every community scheme must insure their money (not negotiable).
- The regulations fix the amount as being the reserves at financial year end, plus 3 months of levies.
- By being more accurate and using the actual reserves calculated quarterly, a significant saving can be achieved for the scheme.
- By having the managing agent combine the insurance requirements of several schemes together, further savings can be achieved for every scheme.

We are pleased to advise that *name of scheme* is currently covered for R xxxx.xx at a monthly premium of R xx.xx by CIA. The detailed wording of the policy is attached.

Important points to note :

- The bulk policy covers all funds with Whitfields, but does not cover funds held by a scheme in their own bank account/s outside of Whitfields. Separate insurance must be taken out to cover such bank accounts. We can assist in getting you a quote if required.
- The sum insured is calculated by adding together the scheme's funds in our trust account, the scheme's funds in any savings trust account with Whitfields, and the last month of levies billed to owners.
- If you wish to amend your sum insured for this current quarter, we need to be advised in writing by 14 October 2016.
- If you want to use your own calculated figure in the future, Whitfields needs to be advised prior to the end of each calendar quarter ie 31 December, 31 March etc
- The insurers have noted the interest of the scheme in the bulk policy and have undertaken, as per CSOS regulation 15(5)(b), to give scheme executives 30 days notice should the policy be cancelled or withdrawn.

Kind regards