

## APPETD EDUCATIONAL SURETY SCHEME



*Regulations for the Registration of Private Higher Education Institutions, 2002* requires a private institution to obtain an educational surety or guarantee. This is to ensure the institution is able to meet its obligations to students.

Marsh has been approached by APPETD to provide an insurance guarantee as an alternative to a bank guarantee.

This Surety/Guarantee can be obtained through one of the following:

- Bank guarantee.
- Insurance guarantee (surety from insurance companies).

### ADVANTAGES OF THE APPETD SURETY SCHEME

- **No collateral** is needed before the surety is issued/granted, thereby reducing the total cost of the surety when compared to the bank guarantee.
- **The fourth year is free** should the institution have three claims free years with the Scheme.
- **Fulfill the requirements set out** by the Department of Higher Education and Training.

## WHAT IS THE APPETD FINANCIAL SURETY?

It is an insurance guarantee, issued by an underwriter to a private institution ensuring that the contractual obligations will be fulfilled.

Additionally it provides financial protection to the Beneficiary (or 'Students') against loss due to the inability of the Institution to continue offering tuition as a result of closure. The APPETD financial surety is an insurance contract as such the:

- Surety is issued on recourse terms.
- Surety cannot be cancelled once issued and remains in force until the:
  - obligations of the institutions have been fulfilled or,
  - expiry of the surety.
- Surety is issued in a form of a signed certificate.

## OUR SERVICES

Marsh will provide the following services:

- Advise on the benefits of the APPETD educational surety scheme.
- Arrange the surety scheme for each of the institutions through the issue of the guarantee certificate.
- Facilitating claims.
- Administration of the surety scheme.

## HOW THE SURETY WORKS

- Premiums must be paid prior to the educational surety being issued.
- The surety is obtained by an application process .
- The annual premium is based on the amount of exposure/guarantee granted for each institution and is paid in advance for the calendar year and is not refundable.
- The surety is issued and valid for a calendar year (from January to December) and is renewable on an annual basis.
- The surety is issued for accredited courses only.
- The surety ultimately benefits the students by:
  - Placement with another institution to complete the course or,
  - Reimbursement of the fees paid for the course.

## CONTACT DETAILS

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