



17 April 2023

## **Lombard Insurance Company Limited Update – Electricity Grid Failure**

The challenges at Eskom have led to ongoing discourse in the media and business sector regarding the possibility of Electricity Grid Failure (as defined in our attached communication from Lombard Broker Partners) in South Africa.

Like other insurers, we regard Electricity Grid Failure as an uninsurable risk. A systemic event of this nature, which could lead to all insureds claiming against their policies for the same event at the same time, simply cannot be insured by privately-owned insurers within the current global regulatory framework.

Lombard Insurance Company Limited therefore wishes to advise all our partners and insureds that we regard Electricity Grid Failure as an uninsurable risk on all relevant policies with effect from 1 June 2023. Our teams will be sending details on the updated exclusion/s to all affected brokers and clients.

We appreciate your ongoing support and will work with you to ensure ongoing fairness to clients while we strive to build a sustainable insurance industry together.

Please feel free to contact our teams if you have any queries.

Yours sincerely,

James Orford  
Managing Director