

LOMBARD

Broker Partners

17 April 2023

NOTICE: EXCLUSION OF ALL LOSSES CAUSED BY ELECTRICITY GRID FAILURE FROM 1 JUNE 2023

THIS ELECTRICITY GRID FAILURE EXCEPTION / EXCLUSION ALTERS ALL LOMBARD BROKER PARTNERS PRODUCTS AND / OR POLICIES. PLEASE READ THE CONTENT HEREOF CAREFULLY TO ENSURE COMPLIANCE.

Lombard Brokers Partners has evaluated the impact of such an event across all our products and / or policies and Electricity Grid Failure will be excluded from the cover provided:

- (a) for all new enquiries for new business and / or quotes with immediate effect
- (b) for all current business with effect 1 June 2023

In accordance with the Short-term Insurance Act (1998) and Policyholder Protection Rules (2017), this is Lombard Broker Partners' 31 days' written notice for the material cover changes to all existing policies.

Please ensure that our mutual clients are advised accordingly, and that all policy schedules / administration systems are updated to reflect the relevant change/s as detailed below.

THIS NOTICE NEEDS TO BE GIVEN TO ALL POLICY HOLDERS BY 28 APRIL 2023

The Lombard Broker Partners exceptions and wording changes are noted below. Should you make use of your own white labelled / bespoke wording, you may need to amend the reference from, for example, company to insurer, insured to you / your, etc. to maintain the wording and style used in such policies.

If your wording contains different extensions that provide cover for power failure, it is your responsibility to identify such extensions and to note the exclusion / exception in the same way that the Personal Lines / Domestic policy extensions and insured perils / events have been amended / noted below.

Should any other variation to these wordings be required, this will need to be referred to your Regional Lombard Broker Partners office and will need the approval of Senior Management.

Should you have any queries please do not hesitate to contact your Regional Lombard Broker Partners office.

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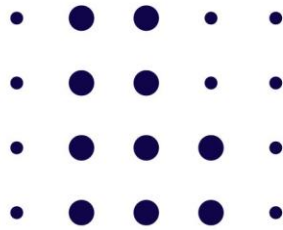
Commercial Hospitality Personal Human Risks

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Reg No: 1990/001253/06 • VAT Reg no: 4360121331 • Lombard Insurance Company Limited is an Authorised Financial Services Provider (FSP 1596) and Insurer conducting non-life insurance business



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COMMERCIAL WORDINGS (applicable to all Commercial and Hospitality products)

Electricity Grid Failure Exception to be added to existing General Exclusions / General Exceptions Addendum

Electricity Grid Failure Exception

- (a) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover any loss, damage, liability, claim, cost, or expense of whatsoever nature directly or indirectly caused by, contributed to by, related to, resulting from, arising out of or in connection with and regardless of any other cause or event contributing concurrently or in any other sequence, any Electricity Grid Failure.
- (b) This exception also applies to consequential losses in respect of
 - (i) any public utilities (including utility companies under sole or partial private ownership) including, but not limited to, gas, water, communications, data, steam, fuel, oil, refrigerant, sewerage, waste disposal, or other similar service that are affected by, and/or
 - (ii) the deterioration of stock, food or other items as a result of

Electricity Grid Failure.

(c) Definition

Electricity Grid Failure means an interruption to or suspension of electricity supply, in any manner, from whatsoever source, and for any reason (including damage and any inability and/or failure on the part of the supplier) which affects an entire municipality (including local, district, regional or any other level that is created by law) or province or the country at substantially the same time, including any interruption, power surge or suspension at the reconnection or reinstatement of electricity supply.

If the company alleges that, by reason of this general exception, any loss, damage, liability, claim, cost, or expense is not covered, the burden of proving the contrary shall rest on the insured.

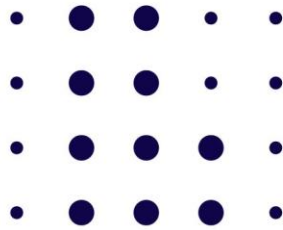
Power Surge Extension to be replaced with the following revised wording:

Power Surge extension

- (a) The company will indemnify the insured for loss of or damage to insured property caused by power surge - other than power surge as a result of Electricity Grid Failure as defined in the Electricity Grid Failure general exception.

Provided that:

- (i) the insured has complied with the requirements of the relevant SANS regulations, local municipal by-laws and the electricity supply authority at the time of the loss



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- (ii) the liability of the company for any claim or number of claims for any one event or series of events with one originating cause or source, will not exceed R50,000, or during any one (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date), R100,000
 - (iii) the property is protected by SABS approved surge arrestor / protector equipment.
 - (iv) the insured will be responsible for a first amount payable of 10% of claim with a minimum of R1,500
- (b) Definition

A power surge occurs when there is an abnormally high, unexpected, temporary spike in the current or voltage of an electrical circuit, occurring after an interruption in the usual flow of electricity.

PERSONAL LINES / DOMESTIC WORDINGS

Electricity Grid Failure Exclusion to be added to all policy schedules:

➤ **any claims related to Electricity Grid Failure**

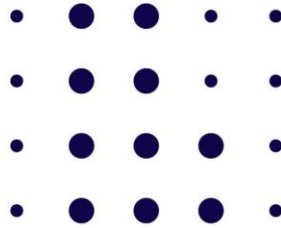
Despite any provision of this policy including any exclusion, condition, exception, insured event, extension or other provision not mentioned herein which would otherwise override a general exclusion we do not compensate *you* for liability, loss, damage, bodily injury, cost, or expense whatsoever or any consequential loss directly or indirectly caused by, contributed to by or arising from any *Electricity Grid Failure*.

This exclusion also applies to

- ⇒ consequential losses in respect of any public utilities (including utility companies under sole or partial private ownership) including, but not limited to, gas, water, communications, data, steam, fuel, oil, refrigerant, sewerage, waste disposal, or other similar service that are affected by *Electricity Grid Failure*;
- ⇒ the deterioration of food and other items as a result of *Electricity Grid Failure*.

Electricity Grid Failure means an interruption to or suspension of electricity supply, in any manner, from whatsoever source, and for any reason (including damage and any inability and/or failure on the part of the supplier) which affects an entire municipality (including local, district, regional or any other level that is created by law) or province or the country at substantially the same time, including any interruption, power surge or suspension at the reconnection or reinstatement of electricity supply

We do not compensate *you* for these claims even if another event or cause (regardless of the sequence of events) contributed to the liability, loss, damage, bodily injury, cost or expense.



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If we allege that because of this general exclusion, liability, loss, damage, bodily injury, cost or expense is not covered, the burden of proving the contrary shall rest on *you*.

The following memoranda is to be added to all policy schedules:

Amendment to the

- ⇒ **Power Surge Extension** of the Building section
- ⇒ **Accidental Damage** insured event of the Contents section
- ⇒ **Accidental spoiling of fridge and freezer contents** insured event of the Contents section.

Cover for power surge and/or power failure excludes liability, loss, damage, bodily injury, cost, or expense whatsoever or any consequential loss directly or indirectly caused by, contributed to by or arising from any *Electricity Grid Failure* as defined in the *Electricity Grid Failure* general exclusion.

Yours faithfully

MARK ROTHMANN
SENIOR MANAGER: TECHNICAL
markr@lombardins.com