

The Digital Digest

NEWSLETTER



**"There is
nothing
permanent,
except
change"**

- Heraclitis

The Changing Short-Term Insurance Landscape

It is hard to believe that it has been three months since the first edition of our Digital Digest Newsletter.

We have seen numerous changes in the short-term insurance landscape in a very short time.

What are some of these changes and why are the majority of Insurers implementing these changes?

We would like to take the opportunity to shed some light on some of these questions you might have.

We also encourage you to contact us should you require any further clarity about your short-term insurance policy.

This newsletter affords us the opportunity to provide you with valuable information about your cover.

Please take the time to read our newsletter and ensure that you are informed.

We welcome any suggestions from our clients with regard to content that you would like us to share.

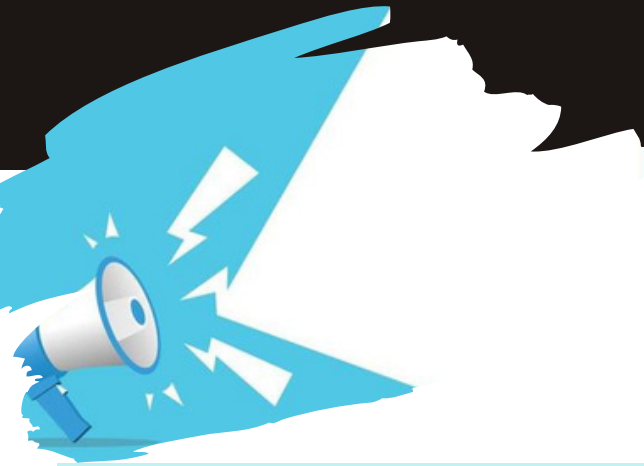
*Suggestions can be emailed to:
delainy@eub.co.za*

You can also choose to opt out of receiving the newsletter by sending us an email.

**Do you have the right
cover for your bespoke
needs?**



IMPORTANT INFORMATION



VEHICLE THEFT TRACKING-DEVICE REQUIREMENTS

Benefits of a vehicle tracking device

"The installation of a tracking device not only aids in faster recovery of the vehicle, but also results in less damage, quicker repairs, and less inconvenience to our clients. Santam's claims experience indicates that very often vehicles are recovered without any damage."

"Over the last year, Insurers have seen a significant increase in both the frequency and average value of stolen and hijacked vehicles. While older vehicles with less sophisticated alarm systems were targeted in the past, in 2022 we have seen a significant shift to the theft of newer and more expensive vehicles, resulting in the average value of a stolen vehicle increasing by more than 75%.

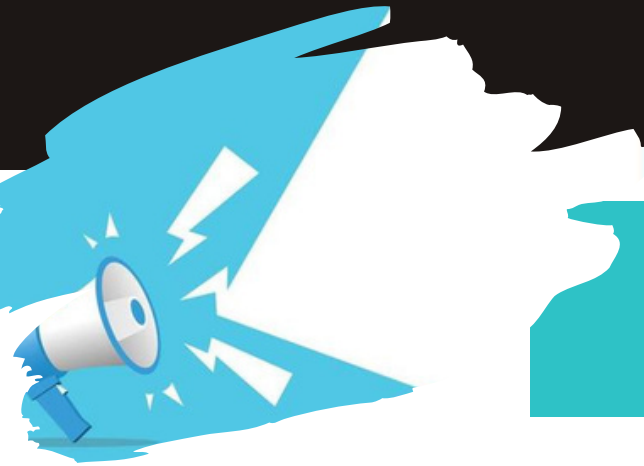
Specific types and brands of vehicles are being targeted, especially vehicles with keyless entry, with an increasing shift towards robberies rather than the theft of unoccupied vehicles. Theft frequency differs widely per geographical area, with vehicle theft in Gauteng and KwaZulu-Natal three times higher than in the urban areas of the Western Cape. Mpumalanga and Limpopo are also showing notable increases. This targeted approach has resulted in the likelihood of theft of certain selected vehicles in the high-risk geographies being more than 10 times that of the national average.

To help reduce the likelihood of such theft, Insurance Companies have done extensive analysis with VESA and suppliers of tracking devices. While our statistics show that vehicle recovery rates for vehicles with and without tracking devices have declined in 2022, there is still a material difference that supports the wider use of tracking devices, with the leading tracking solutions still highly effective in retrieving stolen vehicles." (Source: Santam)

All EU Brokers clients who own high-risk vehicles and are affected by the tracking-device requirement have already been informed and assisted in getting the installations finalised.



IMPORTANT INFORMATION



GRID FAILURE EXCLUSION

South Africa's power grid is under pressure...

What is the impact on your short-term insurance policy?

South Africa's electricity power supply has become increasingly unstable in recent years, which has led to significant changes in the risks we face as an insurance industry. This instability is likely to cause losses that the industry would not be able to withstand, which is a serious reality that reinsurers are also taking into consideration.

In light of this risk, the majority of Insurance Companies have made significant changes to the cover they are able to offer on a sustainable basis.

What is **Electricity Grid Failure/Interruption**?

Electricity Grid Interruption means an interruption or suspension of electricity supply from any electrical power supply network to any end user, in any manner, from whatsoever source, and for whatsoever reason, whether due to damage, an inability, and/or failure (whether partial or total) of any electrical power supplier to generate, transmit or distribute electricity, or otherwise. (Source: Old Mutual Insure)

Due to the significant risk that the failure of South Africa's electricity grid poses on Insurance and Reinsurance Companies, loss or damage due to Electricity Grid Failure is **excluded**.

This exclusion also applies to consequential losses in respect of any utilities that are affected by Electricity Grid Interruption including, but not limited to, the disruption of water, telecommunications and sewage systems. It also applies to other consequential losses, such as the deterioration of stock, food or other items. (Source: Old Mutual Insure)

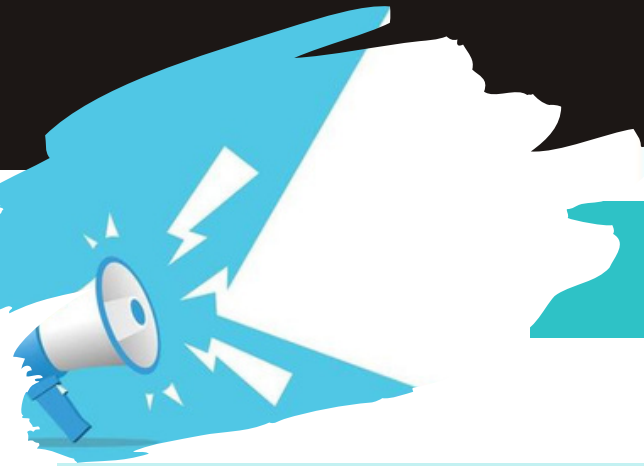
"State-owned insurer the SA Special Risk Insurance Association (Sasria) has joined private insurers in preparing for a potential total collapse of the national electricity grid by informing its clients that should it occur, policyholders cannot claim for damages.

Sasria says in a circular to clients dated April 28: "Your Sasria policy will not indemnify you for any loss, damage, cost or expense, directly or indirectly caused by, arising out of, in any way or to any extent contributed to by, or in connection with electricity grid failure." (Source: Business Live)

Read the full article: <https://www.businesslive.co.za/bd/national/2023-05-07-sasria-rules-out-unrest-claims-if-power-grid-collapses/>



IMPORTANT INFORMATION



POWER SURGE COVER

Due to the increase of load shedding frequency and duration in South Africa,, insurers have reported a significant increase in power surge claims.

In the past clients automatically had cover for power surge under their contents and/or buildings section.

This is no longer the case and **this extension will now have to be selected** if a client wishes to claim for damages as a result of power surge.

There are also some Insurers who require power surge protectors as part of their risk mitigation requirements.

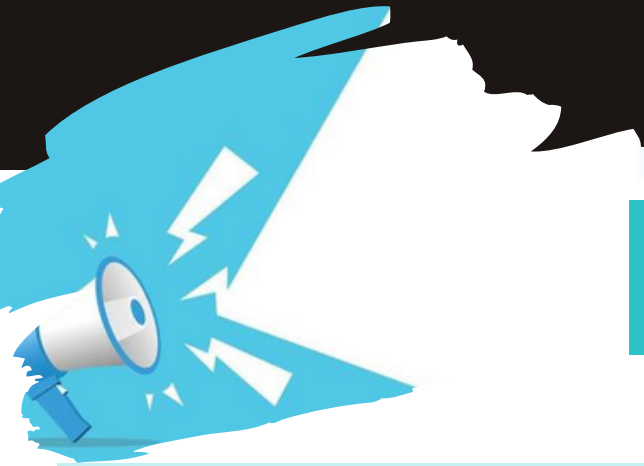
A **compulsory excess** will also be payable in the event of a power surge claim.

We advise that you take the time to review your policy schedule to determine whether you have cover for power surge and if the cover amount you have is sufficient. Please contact your EU Broker if you have any questions and we will gladly assist.

**The LOAD on
load shedding...**



IMPORTANT INFORMATION



MECHANICAL, ELECTRICAL OR ELECTRONIC BREAKDOWN COVER

Mechanical, electrical or electronic breakdown cover can be selected as **optional extra cover** under your household contents cover.

This will provide you with cover in the event of loss or damage caused by accidental mechanical, electrical or electronic breakdown of your contents.

For example: Your domestic worker cleans your living room and accidentally bumps your television set from the stand and it is damaged.

This cover is **not automatically included** in your policy and needs to be selected. Upon selection of this cover an additional premium will be payable.

The following will be excluded:

- (a) depreciation;
- (b) gradual causes such as wear and tear, rust, mildew, corrosion, decay;
- (c) loss or damage:
 - caused by household pests (such as rodents, ants and moths);
 - caused because of cleaning, repairing or restoring by any manner or method;
 - of or to any tools, gardening implements, garden furniture;
 - of or to automatic swimming pool cleaning equipment;
 - of or to any portable computer equipment or cellular devices;
 - of or to any contents of refrigerators or freezers, covered under “Contents of refrigerators or freezers”;
 - covered by any manufacturer’s guarantee, purchase agreement or service contract;
 - caused by power surge;
- (d) cracking or scratching of glass, glassware or any similar breakable article. This exclusion does not apply to jewellery, cameras, televisions or computer screens;
- (e) chipping or denting of furniture or domestic appliances;
- (f) the cost of reproduction or repair of data of any kind.

(Source: Santam)



Contact your EU Broker for an obligation-free quotation!