



Holburn Insurance Brokers

Information Update

July 2009



Financial Intermediaries Association
of Southern Africa

The purpose of this Information Update, is to endeavour to advise you briefly of known information regarding matters affecting the Short-Term Insurance Industry. Please read on, as it may be of significant importance to you.

IMPACT OF THE CONSUMER PROTECTION ACT ON LIABILITY INSURANCE

The Consumer Protection Act of 2008, will take effect from 29 April 2010. The aim of this Act is to protect the economic interests of Customers, from hazards to their wellbeing and safety. Section 61 of the Act, introduces liability to a Producer, Importer, Distributor, or Retailer, of goods which are categorised as unsafe, a failure, defective, or hazardous.

A Supplier of Services may also become jointly and severally liable for such goods, which in turn will incorporate suppliers, appliers, and installers. Liability will arise irrespective of negligence, unless the goods are unsafe by nature, or were not defective at the time of supply. Careful consideration will need to be given to Liability Insurances, particularly if this Act incorporates your business activities in the aforementioned Section 61. It is also important to bear in mind that "Disclaimer Notices" will no longer provide protection, and our Courts will scrutinise whether the consumer assented to such provisions in writing.

AMENDMENTS TO THE ROAD ACCIDENT FUND ACT IN 2008

In August 2008, the Road Accident Fund Act was amended to reduce limits on various benefits. Attorneys Deney's Reitz, are challenging these amendments in the Constitutional Court, on the following grounds;

- Abolition of a Claimant's common law rights to claim unrecoverable damages from the negligent party
- The limitation of loss of income or loss of support claims
- The road accident victim's rights to compensation for general damages
- The definition of "serious injury" by the Minister
- The method of assessment of serious injuries, and alleged breach of a right to health care
- The reasonableness of The Tariff for emergency and other medical care
- The establishment of an appeal tribunal with final decision making ability, without recourse to our Courts

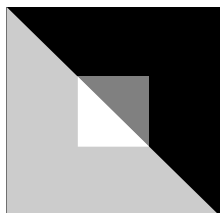
This challenge will take some time to materialise, so it is therefore important to retain adequate levels of Liability Insurance, and Personal Accident Cover, from both a Business and Personal point of view.

We are able to offer advice and assistance with the above matters, so please contact us for more information.

USEFUL INFORMATION

- Educate and maintain Staff awareness of Fire control management, and Security precautions
- Ensure good maintenance and housekeeping at home and your workplace
- Be aware of Liability Disclaimers which may be used against you
- Currency fluctuations result in price changes in machinery, plant, electronic goods, appliances and motor vehicles. Keep up to date, and avoid possible future disappointment.
- Maintain validity of Drivers' Licences and Public Driving Permits, as well as an awareness of regulations applicable to Foreign Drivers' Licences.

" BE INSURED AND BE SAFE "



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