



Holburn Insurance Brokers

Sirius House, 2 Charles Way, Kloof, 3610

P.O. Box 973 Gillitts 3603

Tel: 031 7643870 Fax: 031 7643878 Fax to Email: 086 5214377

FSP Licence No. 30634



Financial Intermediaries Association
of Southern Africa

Established 1983

12 January 2015

With continued news that load-shedding will be part of our lives for the foreseeable future, we need to enlighten you, our valued policyholders, regarding the problems that can arise following lengthy power outages and load shedding & restoration of the power grid.

How does load shedding can affect your insurance policy?

Call it load shedding, rolling blackouts or power outages but South Africans will experience periods without electricity for at least, the next few months. There are two main areas where lack of electrical power could impact on your insurance cover.

Power surges following when the electricity comes back on after a period of load shedding can cause appliances and electronic devices to malfunction or be destroyed.

Whilst most of our personal and commercial policies provide some limited cover for power surges, we would urge you to please read your policy wording to ensure you have adequate cover. Alternately phone us to arrange for additional accidental insurance cover.

Load shedding heightens security risks due to alarm systems and electric fences not working.

As it is a condition of insurance policies that alarm systems be operational, a faulty alarm system or flat back-up battery may lead to the claim being repudiated. Insurers have advised that in the event of an alarm system failing due to load shedding, a claim will only be validated if "due care" was taken to ensure the system was in good working order.

Power outages can indirectly also increase the level of fire hazard. These could arise from numerous sources, such as using candles, petrol and generators, paraffin or gas for illumination and cooking. We suggest that battery powered illumination be the first choice. Gas for cooking is the best choice as long as all manufacturer directions are followed. If you have a generator it should be professionally installed and fuel managed according to instructions. Importantly, if your generator is simply back-supplying into your distribution board via a socket, you will be breaching municipal by-laws and this could create issues in the event of a claim. We would recommend that a fire extinguisher be at hand at all times.

THEREFORE

- Ensure your alarm system has a back-up battery pack to avoid the alarm deactivating during an outage.
- Contact your security company or service provider to ensure the battery activates automatically when the electricity cuts out.
- Have your battery tested to ensure it charges correctly or have it replaced if it is faulty. The battery pack should last the full duration of the load shedding outage. A battery in good condition should have a battery life of between six and eight hours.

Remember, the *ONUS IS ON YOU* to ensure your alarm system is in good working order.

Take added precautions to secure your home and be extra alert during this time. Consider installing burglar proofing and solar power or battery operated lights; and keep rechargeable torches at hand, in the home and car. Ensure there is a back - up battery for your electric fence and security gate.

ESSENTIAL LOAD SHEDDING CHECKLIST

- Review your insurance policies so you know exactly what is covered in the event of loss or damage due to blackouts.
- Contact us about additional covers that are available.
- Test your alarm system in advance and ensure it has an operational back – up battery.
- If you have an electric fence, ensure that the back – up battery is operational.
- Secure your home and create enough light as best as possible under the circumstances.
- Take extra care, especially when approaching your home at night during a blackout.

It must be noted that at all times you as a policyholder must act as though you are not insured and take all reasonable steps to prevent and / or minimise losses. Insurance is merely one aspect of your risk management and must not be relied on solely.

PLEASE DON'T HESITATE TO CONTACT US IF YOU HAVE ANY UNCERTAINTIES OR QUERIES
THE HOLBURN TEAM ARE HERE TO ASSIST YOU WHEREVER POSSIBLE