



**1.618**

SHORT TERM SOLUTIONS

## **IMPORTANT NOTICE: ELECTRICITY GRID EXCLUSION**

### **DEAR VALUED CLIENTS,**

The extraordinary degree of power cuts by Eskom resulting from unforeseen breakdowns and insufficient maintenance of infrastructure has resulted in a heightened risk of grid collapse. It has prompted the entire South African insurance industry to constrict its exposure to these kinds of systemic risks. Taking into consideration the cover available and reinsurance capacity in South Africa, and bearing in mind the strain on the electrical grid, Discovery Business Insurance is introducing a general exclusion regarding electricity grid failure. We will therefore apply the following electricity grid exclusion to your Plan with effect from 1 July 2023. This letter is serving as the officially required 31 days' notification of the amendment.

Discovery Business Insurance shall not be held liable for any loss, damage, claim, cost, exposure, expense, or other sum of nature, including any consequential losses, that is directly or indirectly, regardless of any other cause or event contributing concurrently or in any other sequence, and including where the insured cannot comply with any other term, condition, warranty, endorsement, and caused by, related to, because of, resulting from, or relating to the following: a) persistent loadshedding; b) grid failure; c) grid interruption; or d) the restoration of supply electricity by the utility supplier following persistent loadshedding, grid failure, or grid interruption.

In the event Discovery Business Insurance argues that, due to the electricity grid exclusion, Discovery Business Insurance has no responsibility and/or any claim is not covered, the insured must prove otherwise. This Electricity grid exclusion shall apply, including any exclusion, exception, extension, insuring provision, or any provision which would otherwise override this exclusion.

Despite the exclusion of the electricity grid, this includes any damage or loss caused by a power surge that is mentioned in any part of this letter. However, this coverage will not apply if the power surge occurs when the electricity supply resumes after a prolonged blackout, grid failure, or disruption in the grid.

#### Definitions:

The continual cutting off of power to certain areas that lasts more than twelve hours is called **persistent loadshedding**.

**Grid failure** is when the utility can't provide electricity to the user resulting from a sudden and unanticipated incident (for example, a problem with a power line, a drop in voltage, or power stations tripping) which brings about partial or total collapse of the power grid.

**Grid interruption** can refer to a complete or partial disruption in the electricity supply from a national, provincial, regional, municipal, local, or private source because of damage, a lack of ability, or a failure to generate, transmit, or distribute electricity.

Please reach out to your broker if you require more information regarding the exclusion.

Kind Regards,  
**1.618 SHORT TERM SOLUTIONS**



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