



PERSONAL LINES POWER SURGE FAQ APRIL 2023

This document is to provide clarity on the product changes referred to in the changes to our power-related cover communication. It does not form part of the contract of insurance between Old Mutual Insure and the client.

1. What is power surge?

Power Surge means any temporary increase (of any degree) in the current or voltage of any electrical circuit, electricity network or supply.

2. What are the changes to power surge cover?

Cover for Power Surge as a result of loadshedding for R10 000 will no longer form part of the standard cover in the allsure and prosure contents section. Cover for Power Surge from loadshedding will now be offered as an opt in extension which can be purchased by our clients. There are various limits that can be selected, with R100 000 being the maximum limit.

If the opt in extension of cover is selected, a mandatory Type 2 power surge protector fitted by a qualified electrician, must be installed to the DB Board of the home for Power Surge cover following loadshedding to be in force. This is a requirement whether the client is a homeowner or a tenant. The surge protector needs to be maintained and must be in working order in the event of a valid claim. A copy of the Certificate of Compliance (COC) by an accredited electrician must be sent to us to activate cover.

As this is a new extension of cover, clients will have to request the cover at renewal. The existing standard cover for Power Surge from loadshedding will not be automatically renewed.

If your client has an Elite policy, an excess of R5000 is applicable and Power Surge caused by loadshedding is limited to 5% of the Household Contents sum insured stated in the policy schedule.

3. Why is OMI imposing changes to Power Surge covers?

Given the increase in the frequency of Power Surge claims as a result of loadshedding and the unpredictability of the electricity supply, we are ringfencing the opt in extension of cover that deals with this benefit. This allows us to price accurately for this risk into the future and allows us to track claims statistics more accurately.

This will also ensure that our standard cover remains affordable for our customers.



4. Which products will be affected and from which date will this change be effective from?

All personal products: Allsure, Prosure and Elite effective 1 June 2023 for new business and August onwards for renewals.

5. Will there be a reduction in premium due to the removal of this cover?

There will not be a reduction in premium for the removal of this cover as historically this cover was priced to cover accidental damage claims excluding Power Surge as a result of loadshedding. The accidental damage cover as well as Power Surge as a result of lightning still remains as intended.

6. Can clients pay an additional premium to reduce their power surge excess?

The Power Surge excess of R2500 cannot be waived or reduced.

7. Once clients install the required surge protectors does this reduce or remove their excess for Power Surge?

The fitment of the Power Surge protector is mandatory. As such the excess cannot be reduced or waived once the protector is fitted.

8. Does OMI cover Power Surge following loadshedding?

Power Surge caused by loadshedding is covered, provided that

- A Type 2 power surge protector is fitted to the DB Board by a qualified electrician, and it is in good working order and,
- The client has purchased the extension of cover.

9. Will there be cover for power surge caused by lightning strikes?

There has been no change to this cover, there will be standard cover for Power Surge following lightning strikes. R10 000 will be automatically included and there are higher limits available at an additional premium.



10. Will OMI be looking at a deal with suppliers for Type 2 Surge protectors at a lower cost?

OMI will not at this stage be partnering with an external supplier as these units are readily available at several hardware outlets at reasonable prices and can be obtained from the provider that is installing the unit.

11. Will an existing COC be acceptable to OMI and how long is it valid?

The valid COC applicable after the fitment of a Type 2 Surge protector fitted to the DB board needs to be submitted.

A COC is valid until any further work is carried out on any of the electrical components that it covers.

12. What additional precaution can customers take against power surge?

We encourage you to advise our mutual customers to take the necessary steps to protect their electronic equipment from power surges, such as turning off electronics during loadshedding and unplugging non-essential devices during storms. Installing a backup power solution to stop appliances being turned on and off with loadshedding will also increase their lifetime of appliances and avoid the need to claim. By taking proactive measures to protect their electrical equipment, customers would not only reduce their risk of damage from power surges, but also help to maintain the availability and affordability of insurance cover.