

The COVID-19 pandemic has caused untold global damage, with so many lives having been tragically lost to the disease, and so many businesses having had to close their doors due to the unprecedented lockdowns imposed by many governments. As the group of people who make up Hollard, we recognise the fear, pain and heartache being felt by so many of our fellow South Africans who have lost loved ones or suffered economic hardship in this time. The effects have been particularly devastating for small businesses.

As an insurer, our responsibility is to pay all valid claims while maintaining a sustainable, stable and financially sound business for the good of all our policyholders. We remain of the view that the national lockdown is not an insurable risk and we believe that legal certainty regarding lockdown-related claims is urgently required. However, we're cognisant of the fact that that this legal process is likely to take some time, and we're concerned that a lot of smaller businesses will be unable to survive until legal certainty is established.

We have therefore taken a decision to provide financial relief to SMEs covered by contagious disease extensions to our contingent business interruption policies. We expect to make payments to more than one thousand such businesses in order to alleviate some of the financial burden these businesses are facing.

As our broker partner, we will be looking to you to assist us in executing this decision in the speediest way possible. To this end, the following criteria apply:

1. Business clients with an annual turnover of R25m or less will qualify for these payments.
2. These clients must have suffered a reduction in revenue of 30% or more in the period 1 April 2020 to 30 June 2020 compared to the average income over the previous 12 months.
1. Payments will be capped at a maximum of R200 000 per policy.
2. Acknowledgement of the payment by the client will be required.
3. No pay-outs will be reclaimed by Hollard, even if the final legal position determines that Hollard was not obliged to make such payments.
4. Income from other relief mechanisms and grants will be offset to ensure funds are targeted to clients most impacted. However, grants that required loans to be taken out as a condition of the grant will not form part of this offset.

In addition to the above, claimants will be required to provide the following information:

1. Completed and signed claim form
2. Client acknowledgement of this payment
3. Confirmation of any grant applications and the status of such applications, whether they were approved or not, and values granted
4. Management accounts for the following periods:
 1. 1 April 2020 to 30 June 2020
 2. Income over the corresponding period in the previous year
5. Latest audited financials
6. Cost savings anticipated (all products)
7. Commercial policies: Daily sales(if applicable) March 2019 & 2020
8. Hospitality policies: Occupancy rates prior to lockdown

Clients need to be registered and compliant with SARS, comply with the UIF, the policy must be up to date and the business must not have been liquidated.

Please note that these are guidelines and we will continue to engage with you, our broker partners, on a case by case basis where specific circumstances merit consideration. By easing some claims

requirements, we are hoping to facilitate quicker payment, and we are looking to accelerate the process to obtain verified information.

Throughout this pandemic, Hollard has endeavoured to enable more people to create and secure a better future and, while this constitutes the largest of those efforts, it is part of a holistic contribution. This includes donations to the Solidarity Fund, made both at a company level and through salary sacrifices by Hollard's Executive and other Hollard employees, as well as the donation of containerised COVID-19 testing stations for use in COVID-19 hotspots. Policyholders have been assisted through premium discounts and cover enhancements, while suppliers have been assisted through accelerated payments and direct financial assistance. Employees have been provided with financial assistance and counselling where required, while being enabled to work from home.

Our regional offices and established specialised claims centres will be assisting you, please send all your claims queries to: complex@hollard.co.za.