

Date	:	7 February 2023
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Your Reference:	:	General Endorsements: Business Interruption Section

Dear Valued Client

Business Interruption Section General Endorsements – Amendments to your Commercial Policy Cover

The considerable increase in the degree and frequency of loadshedding in South Africa, as well as unplanned and unanticipated interruptions of the national electricity supply network infrastructure have raised concerns with the insurance and reinsurance markets about the need to reduce exposures that could lead to foreseeable business interruption losses. To ensure alignment with the general market, in terms of our own risk appetite, and in adherence to the reinsurance market requirements, Western National has decided to implement the following amendments to the Business Interruption Section of your policy wording.

Business Interruption Section policy wording update.

The below mentioned General Endorsement will be applied to all Commercial policies effective **1 April 2023**.

This amendment to the wording effectively restates the Defined Events and affected Clauses and Extensions in respect of the Business Interruption Section of the policy wording.

Important Note:

- These changes only apply to those policy holders who currently have this section on their policy, and will be effective immediately should this section be added in future.
- The policy wording update contained herein implements a cover restriction on the following extensions:
 - Public Utilities - Insured perils only (if stated in the Schedule to be included); and
 - Public Telecommunications – Insured Perils only.
- For more clarity kindly engage with your broker.

General Endorsement: Business Interruption Section -Commercial Policy Wording

In the **Defined Events clause of the Business Interruption Section**, Point 1 (v) “*the Theft Section of this policy but only in respect of perils insured under the Theft Section*” and Point 1 (vi) “*the Accidental Damage Section of this policy but only in respect of perils insured under the Accidental Damage Section*” are **removed** in their entirety from the **Defined Events clause of the Business Interruption Section**, and the **Defined Events clause of the Business interruption Section is restated as follows:**

Defined Events

1. *Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under:*

- (i) the Fire Section of this policy;*
- (ii) the Buildings Combined Section of this policy;*
- (iii) the Office Contents Section of this policy;*
- (iv) any other material damage insurance covering the interest of the Insured but only in respect of perils insured under the Fire Section hereof (hereinafter termed Damage);*

Liability shall be deemed to have been admitted if such payment is precluded solely because the Insured is required to bear the first portion of the loss.

The Company will indemnify the Insured in accordance with the provisions of the cover hereinafter set out, and as stated in the Schedule.

Extensions And Clauses

Cover in respect of (m) “*Theft (if stated in the schedule to be included)*” and “(n) *Accidental damage (if stated in the Schedule to be included)*” is herewith removed in its entirety under Point 7. “*Extensions To Other Premises*” and are restated under **Extensions and Clauses** as follows:

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8. Theft (if stated in the schedule to be included)

Loss following interruption of or interference with the business in consequence of Damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under the Theft Section of this policy (hereinafter termed Damage), provided that;
The Company shall not pay more than the sum insured stated in the Schedule of the Theft Section for both this Section and the Theft Section combined.

9. Accidental damage (if stated in the schedule to be included)

The insurance under this section is extended to cover:

Loss following interruption of or interference with the business in consequence of Damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under Defined Event (l) of the Accidental Damage Section of this policy (hereinafter termed Damage), provided that:

- (a) the provision under any Item of this Section that the payment will be reduced proportionately if the amount insured by the Item is not adequate, is deleted in respect of this extension;
- (b) the Company shall not pay more than the sum insured stated in the Schedule of the Accidental Damage Section for both this Section and the Accidental Damage Section combined."

Extensions And Clauses

Cover in respect of the extensions "(i) Public utilities - Insured perils only (if stated in the Schedule to be included)" and "(k) Public telecommunications - insured perils only" stated under point 7. Extensions To Other Premises is herewith restated as follows:

(i) Public utilities - Insured perils only (if stated in the Schedule to be included)

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines of an authority empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to the premises of the Insured.

Cover in respect of this extension is subject to the following conditions:

- **The Indemnity Period for this extension will be limited to a maximum of 3 months.**
- **Maximum amount payable under this extension will be limited to 90% of the Business interruption cover or R 25,000,000 VAT Inclusive, whichever is the lesser amount.**
- **The damage or loss or otherwise to the property which forms the subject of this extension must not be that which is excluded by any General Exclusion.**

(k) Public telecommunications - insured perils only

(i) property at the premises of any public authority which is empowered by law to supply telecommunication facilities to the insured;
(ii) the transmission facilities network of the public authority mentioned in (i).

Cover in respect of this extension is subject to the following conditions:

- **The Indemnity Period for this extension will be limited to a maximum of 3 months.**
- **Maximum amount payable under this included extension will be limited to 90% of the Business interruption cover or R 25,000,000 VAT Inclusive, whichever is the lesser amount.**
- **The damage or loss or otherwise to the property which forms the subject of this extension must not be that which is excluded by any General Exclusion.**

Please note that this letter serves as the 31 day notice period in respect of above-mentioned changes as required by regulation. Should you have any queries, please do not hesitate to engage with your Broker.

Kind regards



Ian-Hendrik Botha

HEAD OF UNDERWRITING

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