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ESKOM'S WOES PRESENT OPPORTUNITIES FOR CRIMINALS

Are you prepared for rolling power outages?

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The growing constraints on South Africa's power grid makes load shedding an unwelcome reality that many households and businesses will have to contend with during 2015. While this has many implications, one of the most concerning is the fact that power outages compromise safety and security.

In an extended outage, the battery back-up on security equipment such as automated gates and fences, alarm systems, security cameras and outdoor motion passives may well run out before power is restored. The fact that automated gates are not operational presents a further complication during load shedding, in that armed response companies are most often unable to gain access to the premises.

Many criminals are capitalising on the situation, utilising the planned load shedding schedule to plan burglaries or robberies. You could well find yourself holding the short end of the stick in such an event, particularly if your insurance coverage terms don't specifically provide for circumstances that are beyond your control.

According to Mandy Barrett of insurance brokerage and risk advisors, Aon South Africa, consumers may find their claims rejected by insurers if their security system is not functional and they experience a burglary or break-in during a power outage.

"This may well be the case on some insurance programmes, especially where the policyholder has not interrogated the implications of the terms and conditions of their cover. This is where the true value of having a professional broker in your corner comes to bear. A professional broker can add tremendous value in the advice process and guide you towards a thorough understanding of the terms and conditions of your cover, pointing out terms in a policy that applies onerous or unreasonable limitations. Unfortunately though, most people only discover the pitfalls of the D-I-Y approach to insurance at claims stage, when it's too late," says Mandy.

As part of your preparations for load shedding, it's essential to check with your insurer exactly what your policy covers you for should you have a claim as a result of a power failure. Power surges that bring about a sudden change in voltage can affect computers and electronic equipment that may

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cause damage. Not to mention the spoilage of foodstuffs during extended power outages. If you are unsure, engage the services of a professional broker who is equipped to guide you through the process in order for you to understand the cover and limitations that you have on your insurance policy.

“Make sure that you adhere to the specific conditions that insurers include to their cover, to successfully navigate the risks that come with load shedding. As an example, your policy may very well specify that the alarm has to be armed if your home is left unattended,” says Mandy.

“If these conditions are not adhered to under normal circumstances and a burglary takes place, the client may be subjected to additional compulsory excess payments, claim rejection or the settlement being dramatically reduced. But the key term here is ‘normal circumstances’. This condition should not be applicable if the alarm malfunctions due to a defect or circumstances unknown or beyond the control of the insured – such as an extended power outage. A good broker will be looking out for you in such circumstances and I strongly advise that you check the provisions in your insurance as soon as you can,” says Mandy.

Many commercial and private property owners are investing in renewable energy products such as solar geysers and wind turbines in the face of South Africa’s ongoing power woes. “As a result of recent natural disasters such as the earthquake that took place in 2014, flash floods and freak hail storms, many insurers have however taken the stance of not insuring renewable energy products due to the cost of replacing the equipment and the risk it presents; as these products can generally not withstand a hail storm of the magnitude that South Africa’s been experiencing of late. It is therefore advisable that you inform your insurance company of any additions that you have made to your home or business of this nature and to confirm whether these additions will be covered under your insurance policy,” urges Mandy.

Mandy continues saying, “the broker’s role is to examine your circumstances in detail and to impartially recommend covers that will meet your specific needs. Choice, simplicity of wording and customisation will ensure that your assets are covered correctly and that you are not prejudiced for being pro-active or something you have no control over. Good advice is always a great investment.”

“The advice and guidance of an independent professional broker is invaluable in doing a thorough needs analysis to ensure your policy provisions meet all your requirements as they evolve,” says Terrance Booysen, CEO of CGF Research Institute. He continues saying, “with the warnings Eskom have issued of short-notice power disruptions and uncertainties this brings businesses, it is critical to re-assess your policy, furthermore ensuring you have the right insurance cover in place, coupled with professional advice to protect your hard earned assets.”

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"Amongst the 'gloom of dark days ahead' however, the great news is through Aon Private Insurance Broking, CGF's valued members and constituents have access to Aon's professional services at preferential rates which is offered through CGF's Governance Connect® mobile application," says Booysen.

Access <http://www.aonmarketing.co.za/CGF/> for further information.

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