

SANTAM COMMERCIAL & PERSONAL

Frequently Asked Questions

21 April 2020

QUESTION	ANSWER
Who qualifies for the premium refund, how will the premium refund be calculated and when will it be paid?	All Santam Personal Lines and Commercial Lines clients with in-force policies at the time of payment of the refund will qualify. The refund will be calculated by applying a 20% discount to the actual net motor premiums paid in April 2020. The definition of motor includes the entire motor class in Personal Lines and Commercial Lines. The refund will be paid during the course of May 2020. Variations of this approach may be applied by our outsourced partners, depending on their third-party system capabilities.
Will broker commission and/or fees be impacted by the premium refund initiative?	In accordance with the dispensation provided by the FSCA, we are pleased to confirm commission and outsourced fees will not be impacted by this initiative.
Will Santam reconsider paying commission on its previously communicated premium relief initiatives considering the FSCA notice?	No. Premium relief is being provided mainly for clients who have already defaulted due to financial difficulty caused by COVID-19. The availability of the premium relief fund as a "tool" to retain clients through this period is in itself considered a benefit for both clients and intermediaries.
How many clients benefited from the premium relief initiative in April?	As expected, our experience in April did not show a marked increase in premium defaults. Allocation from the fund for the month of April provided relief for just over 2 000 clients. Defaults are expected to increase significantly in May.
When will communication be provided on the interpretation of Contingent Business Interruption (CBI) and Cancellation of Bookings (COB) cover that the contract provides?	We are fully aware of the urgency and apologise for not having been able to finalise this sooner. We are working hard to communicate a stance by early next week.
Will Santam extend cover for unoccupied buildings in line with the extended lockdown?	<p>Yes. The 30 day time condition is extended to 38 days. This will cater for the end of the extended lock down declared on 23 March 2020, as well as an additional few days to the first working Monday being 4 May 2020.</p> <p>In addition, if any building insured or containing the insured property has not been occupied directly as a result of the nation-wide lockdown declared on 23 March 2020 and the extension declared on 9 April 2020, the additional excess of 20% of the insured loss will not be applied provided that the client can show they have taken reasonable precautions to protect the property in the circumstances.</p> <p>We will continue to review the period as needed.</p>
Will Santam apply the principle of change of use and will this impact premium or cover for schools, churches, hotels, etc. that are required by government to be repurposed to support its response to COVID-19?	As required by the policy, any change of use must be reported to Santam as soon as possible. Each circumstance will be underwritten individually and Santam is committed to ensuring the impact on and interests of the client are protected as far as possible.

QUESTION

Will Santam allow increases in sums insured during this period?

ANSWER

Amending cover specifically to protect against a known event is anti-selection and will not be entertained. Amending cover following changes to an underlying business or, for example, for impact of changes to currency exchange rates, will be allowed subject to normal underwriting practices.