

9 April 2020



Dear Broker Partner

The COVID-19 crisis and its wide-reaching impact continues to unfold across the world with many countries being subjected to experiences similar to ours in South Africa. No doubt these unprecedented circumstances will continue to redefine unforeseen risk in unimaginable ways. All of our decisions continue to be informed by understanding and guidance that is evolving swiftly, while keeping the best interest of our customers, partners and employees, at heart.

In Technical Note #1, released on 23 March, we informed you that COVID-19 was no longer a fortuitous event and that all new requests for cover will exclude cover for COVID-19 related claims. It is now clear that reinsurance treaties will exclude pandemics like COVID-19. Therefore, in order to ensure prudent management of solvency, we confirm that with effect from 1 June 2020, all of our Bryte and Bryte intermediary bespoke policies will be subject to the attached endorsement.

This exclusion will not impact any cover that previously provided for valid COVID-19 related claims, arising from an existing policy. Any such claims will be handled as per existing current policy terms and conditions.

It is, however, to be applied to all Bryte Commercial policies (bespoke or otherwise) including Agri, Flexiflite and Assets All Risks policies, across all administration platforms. Specialist lines policies (e.g. Corporate, Marine, etc.) will be handled with you on a case-by-case basis.

ACTIONS REQUIRED BY BROKERS

Following consultation with the FSCA (as per communique 12 of 2020), we wish to highlight our collective obligation as follows:

The FSCA requires that our respective businesses demonstrate that the endorsement has been communicated to each and every policyholder. In addition, we need to retain evidence of this for future reference.

What we need from you:

- Communicate the change, forward the policyholder letter and endorsement and obtain acknowledgement of receipt from each and every policyholder – irrespective of the platform on which the policy was issued
- Keep a record of the “acknowledgement of receipt” received and follow up with those who have not responded
- Confirm, by 30 April 2020, that you have completed the exercise and that you have engaged each and every policyholder

What we have done:

- We have provided you with the standard letter and endorsement that should be sent to each and every policyholder (attached)
- On request, we will provide you with a list of policyholders and policy numbers issued **on our platform**
- We will conduct a sample audit in line with FSCA requirements – we will confirm the details with you shortly