

PERSPECTIVES BODY CORPORATE
(SS 302 /2004; 28/2005; 351/2005)

Circular in respect of body corporate insurance

Dear Owners,

In light of some uncertainty regarding the obligations of owners in respect of - in particular - water damage to their properties or water damage caused to neighbouring properties, we have compiled the following guidelines to help address these issues. These deal with water damage as well as requirements relating to gas and electrical installations.

WATER DAMAGE

Responsibility for costs not covered

If any damages are not covered by the insurance policy, the costs will be borne by the apartment owner where the leak originated.

Where a neighbouring apartment is damaged as a result of a leak originating in your apartment, **you will be liable for the full cost of repairs to such apartment.**

We urge all owners therefore to be diligent in ensuring that all plumbing is inspected and maintained regularly to prevent this from happening.

Geysers (hot water cylinders) usually don't suddenly burst, but rather suffer wear and corrosion which over time will cause a rupture or leak. Regular maintenance and servicing will extend the life of your geyser and help avoid unplanned geyser 'bursts'. This involves checking the overall system, including the sacrificial anode element and thermostat, and replacing these if necessary.

Familiarise yourself with where your electricity and water mains and the water mains stop cock are located.

If your geyser has burst:

- On the main distribution board switch off the geyser electrical isolator switch.
- Your apartment's geyser should be fitted with a WERD device which will activate an alarm and automatically turn off the water supply to your geyser. If for some reason this has not activated, then turn off the water mains and the stopcock fitted to the inlet pipe of the geyser to stop all the water flow to your apartment. It is important that you do not turn the power to your geyser off or you will disable the WERD device. Alternately you will need to ensure that the WERD device runs off a separate circuit breaker.

- Try to relieve the pressure inside the geyser by opening the hot water taps in your apartment – this will lessen the amount of water pouring out of your geyser and reduce the chances of further water damage.
- If water is leaking into your apartment, move as much of your furniture and other valuables away from the water as is possible within your apartment.
- Contact the insurer's 24-hour call centre service to assist. The call centre number is 0861 225 225.

LPG INSTALLATION(S)

As per the insurance policy, owners or tenants may only store 9kg of LPG at any one time on the premises as stipulated by SANS code SANS087. Amounts in excess of 9kg must be stored outside the premises in a SANS approved cage or chained together and padlocked.

Furthermore, Regulation 17(3) of the Pressure Equipment Regulations provides that a certificate of compliance must be obtained "*after completion of a gas installation, modification, alteration or change of user or ownership*".

A new certificate must be obtained if *any* change or alteration is made to the gas installation, even if a certificate was obtained upon initial installation. The certificate serves to confirm that the installation is compliant with various safety regulations, including that the installation has been properly installed and inspected, is safe and leak free.

Failure to obtain said certificate may mean that the insurer for the body corporate (as well as the owner's own contents insurer) may repudiate a claim. Ensure that you know what the requirements of your own insurance and that of the body corporate are before going ahead with any gas installation.

ELECTRICAL COMPLIANCE

All owners must be in possession of a current Electrical Compliance Certificate.

Electrical Compliance Certificates must be issued to facilitate transfer of ownership as well as for any alteration to the electrical installation / reticulation at the insured premises.

No person is permitted to interfere with or change any electrical installation / reticulation / supply without prior written agreement from the Trustees and such change must only be carried out by a fully qualified electrical contractor approved by the Trustees.

POLICY SUMMARY

The following is a summary extract from the insurance policy, as it applies to geyser and plumbing failures.

***** PLEASE NOTE: This is not the actual policy document, and it is not a substitute for it *****
The most recent version of the policy document is included in the 2022 AGM pack

The following **terms** help to define what type of damage is covered:

Pipe

A pipe is a cylinder or tube which forms part of the water or gas reticulation system in the insured building. A pipe is inclusive of all immediate attachments such as connections, valves, junctions and stop cocks. For the purpose of this insurance taps, faucets, shower and bath traps, shower roses and irrigation systems do not constitute a pipe.

Burst pipe

A burst pipe happens when there is a sudden and violent failure of the pipe.

Leaking Pipe

A leaking pipe results mainly from movement, wear, tear, gradual deterioration, a flaw or latent defect in the pipe or faulty or defective materials.

Geyser

The geyser unit itself, inclusive of the thermostat, vacuum breaker(s), element, safety valve, sacrificial anode, pressure control valve, drain cock, expansion relief valve, drip trays and pans, wiring from the element to the isolator switch is inclusive of the isolator switch and attached pipes and fittings within 1 metre of the geyser unit.

GEYSER COVER

Geyser cover is not a maintenance contract. There must be a sudden and unforeseen event that gives rise to a claim. You are expected to comply with the supplier's warranty regarding maintenance of the geyser and its components and claims for repairs or replacements will not be covered if you have not done so.

You are urged to arrange an annual inspection of geysers to ensure that they remain in good working order. Sacrificial anodes and other wearing parts should be replaced before they fail. In the event of a failure, you may contact the insurer's 24-hour call centre service to assist with these geyser failures. The call centre number is 0861 225 225.

Failure to contact the insurer's call centre to resolve geyser failures, will result in a limit being placed on the amount of cover provided (see schedule on page 4).

COST LIMITATIONS IF THE CIB CALL CENTRE IS NOT UTILISED:

Geyser size	Amount
Up to 150 litres	R 8, 600.00
200 litres	R 10, 700.00
250 litres and over	R 16, 000.00
Repairs	R 2, 000.00

If the CIB call centre is utilised, these limits do NOT apply.

Excess payable	Amount
Geyser replacement	R 2, 000.00
Geyser repair	R nil

GEYSER REPLACEMENT AND REPAIR

What Is Covered

If your geyser suddenly fails or stops working, the insurer will repair or replace it with a geyser of the same or similar type and capacity or pay you in cash the equivalent amount.

Additional Costs – if stated in the schedule to be included:

1. The insurer will pay up to the amount stated in the schedule for a Certificate of Compliance issued by a registered plumber at the time of installation or repair of your geyser which is the subject of a claim under this section of the policy.
2. The insurer will pay the additional costs reasonably and necessarily incurred by you to facilitate the installation of a replacement geyser not exceeding the amount stated in the Schedule.

What Is Not Covered

1. More than the amounts stated in the schedule.
2. Loss or damage arising from faulty or defective design.
3. Any costs incurred by you for normal maintenance and repair.
4. Consequential loss of any kind whatsoever.
5. Any item forming part of the geyser and attachments covered by a guarantee.
6. Any part or component of a Solar Installation or Heat Pump.
7. Any additional costs incurred by you in accessing a geyser for the purpose of replacement or repair.
8. Any cost incurred by you in making a geyser compliant with any applicable legislation.

BURST PIPES, LEAKING PIPES AND RESULTANT DAMAGE

Kindly ensure that you have a clear understanding of what constitutes a burst pipe as opposed to a leaking pipe and how these are treated in the event of a claim. Please take note of the following:

1. A burst pipe happens when there is a sudden and violent failure of the pipe,
2. A burst is not a leak or the result of a leak,
3. Pipes that are not under pressure do not generally burst,
4. A leak is the result of wear, tear, gradual deterioration, a flaw, or latent defect in the pipe or faulty or inferior materials,
5. The insurer does not pay for the repair or replacement of leaking pipes. The insurer regards this as a maintenance related issue,
6. When a pipe bursts, as described above, the insurer will pay for the repair to the pipe and the immediate resultant damage,
7. If a leaking pipe is discovered and reported to the insurer immediately, the insurer will pay for the resultant damage but not the actual repair to the pipe and the costs of making good the related damage (fixing the wall that was exposed to find the pipe),
8. If the damage caused by a leaking pipe is exacerbated by a delay in reporting the matter to the insurer, then the insurer may only pay a portion of the cost or nothing at all.

DUTY OF CARE

You are expected to act as if you are not insured.

Your Policy does not replace the need to undertake regular normal preventative maintenance and repair to your property. Your Policy is not a maintenance contract, and it only provides indemnity (cover) for sudden and unexpected loss or damage to the property described in the schedule.

Your Policy does not cover damage caused by normal wear and tear, lack of maintenance and your failure to take reasonable precautions to prevent loss or damage.

CLAIMS

You must inform the insurer of any event that may give rise to a claim under the Policy. The claims reporting call centre operates 24/7 on 0861 225 225 to facilitate the immediate reporting of claims.

When something happens that you think might be the subject of a claim:

- Phone the call centre. They will confirm if you have a claim or not. If they are unable to determine whether you have a valid claim, they will appoint an assessor or

contractor to investigate and report back on the matter. Alternatively, they may request that you submit a claim form, photographs, quotes and invoices for repairs.

- Do not incur any costs other than costs to prevent or minimise immediate further loss or damage. If you incorrectly incur costs that are not covered, you will be held responsible to pay for these costs.
- You may submit your claim in writing within 30 days of the date of the damage using the standard claim form, but this does not replace your obligation to report an incident that could give rise to a claim under your Policy.