

GEYSERS

(FORMS PART OF THE HOT WATER INSTALLATION SYSTEM)

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Legislation as of August 2018

The following legislation requirements have been put in place with regards to geyser replacements:

- *“Manufacturers have been requested to produce and supply an energy efficient geyser, named the B CID5S. This new model has thicker insulation between the inner cylinder and the outer casing, preventing heat loss, and reducing electricity consumption.*
- *As of August 2018, the National Regulator for Compulsory Specifications (NRCS) started regulating geysers for domestic use. It is a move that is in line with Government’s strategy to” promote energy efficiency as the first fuel in driving balanced, socially inclusive and environmentally sustainable economic growth, boosting job creation and leading technological innovation.”*
- *Plumbers need to fulfil this legislation compliance requirement by issuing their (COC) Certificate of Compliance when replacing a geyser being it under SANS-10254 and now new regulation of energy efficiency under SANS- 151(B. Class Geysers)”*

What Does This Mean?

- A new type of geyser called a B Class geyser is installed which is considered as an energy efficient geyser.
- A certificate of compliance needs to be issued at the time of the installation of the new geyser; what this means is the installation must be in line with the legislation to get this certificate issued. To ensure the geyser installation is compliant there may be additional costs involved to get to the point where the certificate of compliance can be issued.
- The B class geyser due to the thicker insulation is larger in size, so a relocation of the geyser may be needed if the current space where the geyser is situated is not adequate.

What Will the Insurance Company Pay for?

- The insurance company will pay up to the limit applied on the policy schedule for that size of geyser, for the complex less the excess amount applicable. It is all dependent on the insurance company as to the limit that may apply. This information is represented on the policy schedule however if you are unsure please do not hesitate to contact us the broker for assistance.
- Important to note majority of insurance companies will only cover the replacement of the geyser where a valid certificate of compliance is presented by the plumber advising that the installation has been completed in accordance with the SANS regulation applicable.
- Should the replacement invoice for the geyser exceed the limit applied, this expense will be for you as the owner, for example:

- If a 150 L geyser is replaced and the limit on the policy for this replacement is R 6700.00. Should the invoice come in at an amount of R 10 000.00, the way the pay-out will be calculated is as follows:

Limit Applicable:	R 6 700.00
<i>(Even though the invoice was for an amount of R10 000.00)</i>	
Excess deducted where applicable:	R 1 500.00
Total Amount of pay-out:	R 5 200.00

- **The shortfall amount of R 3300.00 and the excess of R 1500.00 are for the owner's account.**
- The limit is dependent on the insurance company the complex has placed their insurance policy with. For this information please do not hesitate to contact us on insurance@tibrokers.biz for assistance or ask the claims administrator at the time of the claim.
- Only specific insurers will pay for the relocation of the geyser, this will need to be established at the time of the claim, as to the insurance company that the claim is with. Should the insurance company not pay for this, you as the owner may be liable for this due to the hot water installation system being for your own responsibility. In some cases, the body corporate may entertain this as the complex has been affected, however you would need to contact them to establish this.

What You as the Owner May Need to Pay for?

- The excess applicable on the claim
- The cost of any shortfall that exceeds the limit applicable.
- The cost for the relocation of the geyser, where necessary, if not covered by the insurance company

Can a Complex Adjust Their Policy Schedule to Allow for Higher Limits?

- Where there is a specific geyser replacement limit applicable, the insurance company can be approached to increase the limit to a higher value to prevent a shortfall however there will be an additional premium applied for this higher limit which would be included as part of the insurance premium.
- Some insurers may be able to apply a NIL excess on the geyser replacement and repair claims dependent on the loss ratio of the policy, this is also at an additional premium that will be applied.
- For any quotations connected to the above please contact us on underwriting@tibrokers.biz for assistance.