

**From: Randhir Seetaram (Echelonpci)**  
**Sent: Monday, November 21, 2022 10:26 PM**  
**To: BROKER**

**Subject: Echelon Private Clients: Vehicle Tracking Device Requirements**

Dear Valued Broker,

Over the past 12 months we have seen a significant increase in both the frequency and average value of stolen and hijacked vehicles. While older vehicles with less sophisticated alarm systems were targeted in the past, in 2022 we have seen a significant shift to the theft of newer and more expensive vehicles, resulting in the average value of a stolen vehicle increasing by more than 75%.

Specific types and brands of vehicles are being targeted, especially vehicles with keyless entry, with an increasing shift towards robberies rather than the theft of unoccupied vehicles. Theft frequency differs widely per geographical area, with vehicle theft in Gauteng and KwaZulu-Natal three times higher than in the urban areas of the Western Cape. Mpumalanga, North-West Province and Limpopo are also showing notable increases. This targeted approach has resulted in the likelihood of theft of certain selected vehicles in the high-risk geographies being more than 10 times that of the national average.

To help reduce the likelihood of such theft, Echelon, in conjunction with Santam, has done extensive analysis with VESA and suppliers of tracking devices. While our statistics show that vehicle recovery rates for vehicles with and without tracking devices have declined in 2022, there is still a material difference that supports the wider use of tracking devices, with the leading tracking solutions still highly effective in retrieving stolen vehicles.

To mitigate this risk of theft, Echelon will require the installation of specific tracking devices on selected vehicles in selected areas. The mandatory installation requirement of a tracking device will impact a small portion of our client base and the affected clients will be given 60-days written notice to have an accredited tracking device installed. In some cases, for the very high risk and high-value vehicles, we will insist on a second device to also be installed as this has proven to be highly effective in improving recovery rates.

The following conditions are effective with immediate effect for high-risk vehicles in Gauteng, Kwazulu-Natal, Mpumalanga, North-West Province and Limpopo:

Johannesburg Tel No. : 011 023 2214   Pretoria Tel No.: 012 433 6300   Cape Town Tel No. : 021 657 1100   Durban Tel No.: 031 830 5057

Directors: HM Nigrini (Chairman), D Dawson\* (CEO), C Baruch, MJ Marinus, Q Matthew. \*Executive

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#### New business and additions to existing business

- We will allow 14 days to comply with these requirements.

#### Vehicles currently insured on existing business

- We will allow 60 days to comply with these requirements.

Please refer to the list of your clients below with vehicles insured that have been identified as high-theft risks (if applicable). The following will be required subject to the above conditions:

- Beame device required to be installed in all high-risk vehicles whether or not such vehicle already has another tracking device installed.

Below is an extract of the policy conditions applicable to such vehicles:

*For you to comply with this requirement, the tracking device must comply with the following conditions:*

- *A legally valid contract must be entered into between you and the supplier of the tracking device, this contract is in force, and the monthly subscription fee must be paid in full at the time of the theft, hijacking or attempted theft or hijacking;*
- *The tracking device is activated and in operation at the time of the theft, hijacking or attempted theft or hijacking;*
- *The theft or hijacking is immediately reported to the supplier of the required tracking device;*
- *You have arranged that it is tested at least every six months;*
- *Where a Recovery Warranty is applicable, this must be ceded to Echelon.*

***If you do not comply with this requirement, we will not cover loss of or damage to your vehicle caused by theft or hijacking.***

#### Benefits of a vehicle tracking device

The installation of a tracking device not only aids in faster recovery of the vehicle, but also results in less damage, quicker repairs, and less inconvenience to our clients. Echelon's claims experience indicates that very often vehicles are recovered without any damage. In the event of hijacking, personal safety is a very high priority for service providers, and the most important benefit of having a device installed.

Echelon, together with Santam, have negotiated very competitive monthly service fees for new fitments with MiX Telematics for the Beame device (R59 per month), and the MiX Recovery Protect device (R79 per month) and will discount premiums (where applicable) for that specific vehicle to subsidize the cost of the new device. To qualify for these discounted service fees, please make use of the following methods of communication to arrange for fitment (or you may refer to the attached fact sheet):

Email: [santam@beame.co.za](mailto:santam@beame.co.za)

WhatsApp: 087 240 6263

Phone: 011 594 0473

Please note that preferred pricing does not apply if referral fees are applicable, and Echelon does not commit to match all accredited service provider fees with premium discounts as is the case with the MiX Telematics options.

Please feel free to contact me should you have any queries.

Regards,

Randhir Seetaram

Head of Sales

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Tel : 011 023 2218

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