



10th July 2020

The storm that's been building off the Cape coast isn't the only storm that has hit our shores this week. COVID-19 cases are peaking, businesses are closing, UIF TERS has come to an end. This is a tempest that cannot be endured by bunkering down. It requires action now.

On Tuesday, we communicated to you our plan to seek immediate relief for our clients who are facing irreparable loss and imminent closure.

This came with news of the Western Cape High Court ruling in favour of Cape restaurant, Café Chameleon, against insurer Guardrisk. This is a big win for the tourism and hospitality industry in what is the first Covid-19 Business Interruption insurance case to be heard in South African courts.

But this win, almost certain to be appealed, unfortunately, does not put money in the claimant's hands when they need it most – right now. It does not set a sweeping precedent or compel insurers to concede. What it has done, along with giving our industry some much-needed positive news, is open the window to further press our negotiations with insurers.

Prying this window open even further, the Financial Services Conduct Authority (FSCA) issued a [press release](#) last night stating its unequivocal view - a second salvo which we fear will be a long, protracted battle the tourism industry can ill afford:

“The National Lockdown cannot be used by any insurer as grounds to reject a claim. Such conduct goes against the principles of treating customers fairly and breaks down confidence and trust in the insurance sector. The FSCA has communicated this view to insurers and will take action against those that do not treat their customers fairly.”

Yesterday we submitted our proposal for **immediate interim relief** to Insurers. The document outlines why this relief is so critical, what the impact has already been on tourism and hospitality, and what is at stake if relief does not come soon.

We remind insurers that they have the ability to act now to reduce the impact of this pandemic on tourism and hospitality, to play a role in the survival of SMMEs and livelihoods. It's within insurers' power to provide a lifeline to our industry—to meet a moral obligation now, rather than be dragged to a legal obligation. And we'll continue to put pressure where we can for this to happen.

We know it's hard to see through the storm clouds of COVID-19 right now – to think about the future and your business needs beyond simply keeping the lights on and your staff paid. But it is

our job, as your brokers, to look ahead and ensure that, when you resume operations, you're fully informed about and prepared for any risks.

To this end, we have been part of an industry think tank to consider how risk management, insurance, and other risk transfer factors need to adapt to this world of COVID-19 and beyond.

We are identifying the current gaps in travel insurance, liability cover, or future pandemic cover – and thinking about how we can close these gaps, develop new products, and help instill confidence in your customers and guests once again.

As a cornerstone of risk and incident management strategy at the moment, the [SATIB24](#) service is there to help give you, your staff and your customers that fundamental peace of mind as you reopen. SATIB24 is a 24-7 operations centre that coordinates an integrated response from emergency medical, security and incident management specialists.

In addition to its [core services](#) related to Critical Incident Management, the SATIB24 incident management team is now primed to give you real-time advice on COVID-related matters including monitoring and management of symptomatic guests and staff, recommended [first aid and Personal Protective Equipment \(PPE\)](#) and guidance in applying health and safety protocols. We will be communicating more on this matter in the weeks to come.

To help you comply with the Tourism Industry Standard [Protocols](#) and equip your business with the required PPE, Government and private sector have collaborated to set up a national [PPE Marketplace](#).

Because if you're going to face a storm head-on, you're going to need the necessary equipment.

Kind regards,

A handwritten signature in black ink that reads "Dewald Cillie".

SATIB Insurance Brokers, Executive Head – SATIB