



24th July 2020

Today is a good day

If ever South Africa's Tourism and Hospitality sector needed some good news, it's now.

With little to no income since lockdown began in March 2020, the UIF TERS ending in August and no date in sight for its reopening, Tourism and Hospitality businesses are running out of oxygen.

The tourism industry is losing R748 million every day it cannot operate. But even more devastating is the prospect of losing the livelihoods of some 1.15 million people – including 70% women and 60% youth – if international inbound tourism does not reopen before the end of 2020. This will leave countless dependents, communities and conservation efforts vulnerable.

Amidst this looming devastation, there has been a tidal wave of businesses calling on Insurers to do the right thing and pay out business interruption insurance claims. An incredible amount of media, lobbying and legal work has been undertaken by various stakeholders, including SATIB.

Despite calls for legal action, it has always been abundantly clear to us that pursuing the legal route is a long game the Tourism and Hospitality sector can ill afford. We know many businesses need immediate relief, not at the end of a protracted legal battle.

We've pushed hard to persuade Insurers to offer a compromise settlement in the form of a hospitality relief fund, offering data-driven evidence of the cruel and devastating impact that COVID-19 has had on tourism and hospitality businesses and their staff, as well as the imminent massacre of jobs in the sector.

So it warms my heart this evening to tell you that all that work, all those appeals and all that lobbying has yielded a positive result. In our engagements up to late tonight with two of the leading Insurers, both have acknowledged the industry's pleas and have agreed to create Interim Relief for their tourism and hospitality clients, available immediately to policy holders subject to certain criteria.

This news was confirmed in a leaked FSCA release this evening, confirming the regulator has reached an understanding with several non-life insurers that are most affected by Business Interruption Cover Claims to provide interim relief for policy holders.

Once the details of these Interim Relief Funds are clearer, this will be shared with policy holders. While we await those details, we recognise that we remain on a difficult road as the tourism sector. Hardships and obstacles still loom. However, today is an immense positive step in the right direction.

SATIB will continue to lobby through our current channels and engage with other Insurers to follow the example set by these two Insurers. Although this opens the door for immediate relief for some, we will continue to keep the pressure on and pursue every available avenue to support your businesses and the livelihoods you support.

While tourism may be the lifeblood of your business and ours, it is also the custodian of South Africa's heritage and culture, as well as a major contributor to South Africa's economy, and supporting 1.5 million direct and indirect jobs.

We are thrilled that these Insurers have heard the industry's plight, recognised its importance and put its considerable weight behind standing shoulder-to-shoulder with Tourism and Hospitality as we fight for our survival. Today is a good day.

Kind regards,

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

SATIB Insurance Brokers, Executive Head – SATIB