GUARDRISK
TAILORED RISK SOLUTIONS

Media statement
For immediate release
27 July 2020

GUARDRISK PROVIDES SUPPORT TO BUSINESSES IN THE TOURISM AND HOSPITALITY SECTOR

Two weeks ago, Guardrisk announced that we were looking for ways to provide support to businesses in the tourism and hospitality sector in light of the devastating economic impact caused by the COVID-19 pandemic. During the past weeks we have been in discussion with the regulators (both the Prudential Authority and the Financial Sector Conduct Authority), as well as our reinsurers, to enable us to formulate the best possible commercial settlement for our policyholders, while the legal impact of the pandemic on business interruption policies is pending in the courts.

Although we remain of the firm view that lockdown on its own does not trigger a claim under our policy wording, we will, with immediate effect, be making commercial settlement offers to policyholders who have submitted claims (all of whom have the same policy wording and are clients of HIC, an appointed Guardrisk underwriting manager). These policyholders are currently being contacted by HIC, via their brokers, to set out the offer terms.

The commercial settlement being offered is equal to the first three months of lockdown, less the relevant savings and other relief payments received; and there is no limitation on the maximum amount payable. The proposed settlement offer is in addition to funds donated to the South African Future Trust fund, as well as other relief measures already provided to clients.

This commercial settlement does not affect Guardrisk’s decision to appeal the recent judgment released by the Western Cape Division of the High Court, relating to the interpretation of the terms of its business interruption policy in the context of the COVID-19 pandemic. While it remains our view that the appeal is necessary to obtain certainty for the industry, our business and for our policyholders going forward; the commercial settlement seeks to offer **immediate** financial support to policyholders in these challenging times. Policyholders will of course have the option of accepting the commercial settlement offer or waiting for the appeal court ruling.

ENDS