

BnB SURE DICTIONARY

AN ALPHABETICAL GUIDE TO SOUTH AFRICA'S MOST COMPREHENSIVE INSURANCE POLICY FOR B&B AND GUESTHOUSE OWNERS

INTRODUCTION

The purpose of this Dictionary is to assist Brokers and other interested parties in understanding both the B&B and guesthouse industry as well as the BnB SURE policy.

BnB SURE is the most comprehensive policy for the B&B and guesthouse owner available in South Africa. It covers all sections of the establishment enabling the owner/manager to cover their domestic insurances and B&B or guesthouse business insurances in one comprehensive multi sectioned policy.

INFORMATION

In compiling this dictionary it was the intention to give a short overview of each topic covered and in certain places there are references given by way of website addresses and any further information can be obtained from those websites

DISCLAIMER

Any information or suggested structures for insurances are by way of example and based on general information rather than client specific information. Should any of these suggestions appear to be relevant it is vital that these are discussed with the specific requirements of the policyholder in mind.

Any information on the BnB Club service suppliers or partners is intended to provide basic information (including contact details where applicable) only. Any of their information is not intended to be an endorsement by BnB SURE of the service providers. It is the responsibility of each person making use of the BnB Club facility to conduct further enquiries as needed, to check on the suitability of the service providers listed herein.

Furthermore, BnB SURE cannot guarantee the accuracy of any of the information listed in any article written by a third party or of any article contained in any website to which readers are referred.

“MORE THAN JUST INSURANCE”

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AUGUST 2007**

AA TRAVEL GUIDES

South Africa's premier independent grading company offering "Quality Assured" accommodation in three categories being Recommended, Highly Recommended and Superior. For more information visit www.aatravel.co.za

ACCIDENTAL DAMAGE (BUILDINGS SECTION)

The buildings section extends to give Accidental Damage cover. The sum insured is R15,000 with a excess of R1000.

ALL RISKS

Personal All Risks of the owner can be insured in terms of this section.

ALL RISKS EXTENSION (CONTENTS SECTION)

The Contents section has an All Risks Extension covering the items normally covered in terms of the Contents section. The limit is R15,000 with an excess of R1000.

ANIMALS (LIABILITY)

Our liability section provides cover for death, bodily injury, illness, or loss or damage caused by domestic dogs or cats belonging to the insured. The policy limit for any other domesticated animals belonging to the insured is R2 000 000.

APPLIANCE MAINTENANCE

The insured can cover repairs to domestic type appliances, subject to a call out fee of R280. R30-00 per month covers all appliances as described by the policy to a limit of R3000 per repair. We do not cover any commercial type equipment, hand held or portable items under this section. Pool, gate or garage motors can also be insured for repair at an additional premium of R8-00 per item.

APPROVED ASSOCIATIONS

Certain associations fall into the category of Approved Associations and enjoy discounts as below. In the event of membership of more than one association the maximum discount is 15%.

AA TRAVEL GUIDES	15%
BABASA	15%
CHAMBERS ACCOMMODATION	15%
FEDHASA (ALL THREE REGIONS)	15%
GUESTHOUSE ASSOCIATION	15%
NATIONAL ACCOM ASSOCIATION	15%
STAR GRADING COUNCIL	20%
MEMBERSHIP OF ANY PROVINCIAL ASSOCIATION ONLY	10%
MEMBERSHIP OF ANY LOCAL ASSOCIATION ONLY	10%

AVERAGE

Average is the penalty that applies to a claim in the event of underinsurance and applies to the Buildings, Contents and Loss of Revenue sections of the policy. If the property insured is, at the commencement of any defined event, collectively of greater value than the sum insured on that item, then the insured is considered as being their own insurer for the difference and bears a rateable share of the loss accordingly. Every item, if more than one, is separately subject to this condition.

BABASA

The Bed & Breakfast Association of South Africa. One of the three national bodies in South Africa, and the oldest of these bodies, specifically dealing in the B&B and guesthouse sector. For more information visit www.babasa.co.za

BACKPACKERS (Definition)

A Backpackers establishment is an accommodation facility that provides communal facilities, including dormitories yet may offer a range of alternative sleeping arrangements and for the purposes of BnB SURE limited to two storeys in height and no more than sleeping facilities for 50 people in total and 6 to a room.

BnB ASSIST

BnB Assist is a special service we offer to our clients on toll free 0800 55 66 77. The services included are electrical, plumbing, legal or labour advice, medical advice, appliance maintenance and auto assist advice in the event of a breakdown or accident.

BNBFINDER

A facility to all BnB SURE policyholders where they are able to list their establishment at no cost on the website www.bnbfinder.co.za. This facility is marketed by means of brochures distributed at airports and tourism offices throughout South Africa by Brochure Management.

BnB SURE CLUB

A “value add” facility available to all BnB SURE Club members whereby various products of use to the B&B or guesthouse can be obtained at preferential prices. Membership of the BnB SURE Club is automatic to all BnB SURE policyholders at no cost. A separate website for the club can be accessed via the main website at www.bnbsure.co.za

BED & BREAKFAST (Definition)

Bed and Breakfast accommodation is usually provided in a family (private) home and the owner/manager lives in the house or on the property. Breakfast is usually served. Bathroom facilities may or may not be en-suite and/or private. In general, the guest shares the public areas with the host family.

BICYCLES

Liability following the use of the insured's bicycles by guests is covered provided the rider wears a crash helmet and daily checks of the bikes are carried out by the Insured to ensure full working order

BILKING

The practice of leaving without paying the "bill". The cover is R20,000 at no additional premium on the Contents section but this can be bought up to R15,000 at an additional premium of R25 per month or R20,000 at an additional premium of R50 per month.

BOATS (Liability requirements)

Where canoes/rowing boats or sailing boats are used on inland waters it is a condition precedent to liability that:

- (a) the insured is to complete and carry out daily checks of the canoes/sailing boats;
- (b) no rental to or use by intoxicated persons;
- (c) children under 14 are not allowed on such watercraft without an accompanying adult;
- (d) appropriate life jackets to be worn by all persons on such watercraft;

BOWLS "FULL HOUSE"

Cover in the amount of R1000 is included in terms of the All Risks section if this section of the policy is active.

BUILDINGS SECTION

This section of the policy covers loss or damage to the buildings including fixtures and fittings. Extensions included at no additional cost to insured and these are detailed alphabetically in this dictionary.

BUSINESS INTERRUPTION

See Loss of Revenue.

CANCELLATION OF A RESERVATION

Where a reservation is cancelled and such cancellation is beyond the control of the guest, any loss of revenue as a result of such cancellation is covered. An example would be the death of the guest, hospitalisation or an accident on route. Airline strikes resulting in cancelled flights also fall into this category.

CAR HIRE

This cover is automatically included if the insured vehicle is stolen. In the event that the cover is required following accidental damage this can be obtained at a nominal additional premium.

CERTIFICATE OF FITNESS

This permit for the vehicle is required under most circumstances when fare-paying passengers are being transported. For the purposes of the Act, “fare paying” can mean “FARE, OR OTHER CONSIDERATION OR REWARD” If the driver of the vehicle needs a PDP licence to transport passengers then the vehicle they are driving will require a COF. Establishments should, however, check either with their attorney or the local licensing authorities to establish the need for a COF.

CLAIMS LINE

BnB SURE has an emergency Claims Line available 24 hours a day by dialling 0800 55 66 77. The purpose of this line is to be able to get an assessor or advice to a policyholder who has suffered a claim at a time outside normal office hours.

CLAIMS PREPARATION COSTS

The policy provides cover up to R5000 under each section.

CONTENTS SECTION

This section of the policy covers loss or damage to property insured on both the personal and business aspects of the establishment. In this specialised industry you cannot tell if a chair for example will be used for personal or business use. This section is not subject to forcible/violent entry or exit (Unless otherwise stated). There are many extensions automatically included at no extra charge to the client and these are detailed alphabetically in this dictionary.

The client may also have the option of Contents cover excluding theft at a reduced premium.

CONTINUATION OF COVER

The premium is due in advance and, if not received by the company by due date, this insurance shall be deemed to have been cancelled at midnight on the last day of the preceding period of insurance unless the insured can show that failure to make payment was an error on the part of his bank or other paying agent.

CONTINGENT LIABILITY

Included under the motor section up to a limit of R2 000 000.

COUNTRY HOUSE (Definition)

A Country House is a large Guest House, usually situated in natural, peaceful surroundings such as near a nature reserve, a forest, a lake etc. It offers all the services of a hotel, including dinner.

DEATH OF A KEY MEMBER

This covers Loss of Revenue following the death of a “key” member of the establishment being a spouse, partner or manager.

DISCLAIMER

BnB SURE's suggested disclaimer form those establishments that feel they should use one. This is recommended but is not a requirement of the BnB SURE policy:

Guest/s attend this establishment at their own risk.

The Proprietor, is agent/s and/or its employee/s ("the Proprietor") shall not be liable for, and the guest/s hereby waive/s and abandon/s any claims of whatever nature including but not limited to that for theft, injury, loss or damage of whatever nature, against the Proprietor, whether arising from the Proprietor's default, negligence or otherwise.

The guest/s, in addition to the aforesaid, hereby indemnify the Proprietor against any claims which may arise from whatever nature, whether arising from the Proprietor's default, negligence or otherwise.

Whilst every endeavour is made in terms of the above recommendation to provide for the exclusion of an innkeeper's liability, such liability or exclusion thereof is never absolute and is always subject to a matter of degree and the application of an appropriate court's discretion.

It should also be borne in mind that court's discretion is applied judicially but subject to the credibility and worthiness of appropriate evidence.

DISCOUNTS

Discounts to premiums on selected sections are given to any establishment that is a member of any of the Approved Associations. In addition premium discounts of 15% are applied to contents and motor sections when an establishment owner is over 50 years of age. Maximum discounts are detailed in the table below. Discounts may be given on motor premiums where the vehicle is used STRICTLY for personal use or where a tracking device has been fitted where this is not an underwriting requirement.

MAXIMUM DISCOUNT

Age	Star-Graded	Association	Max Discount
YES			15%
	YES		20%
		YES	15%
	YES	YES	20%
YES	YES	YES	30%
YES		YES	25%
YES	YES		30%

ELECTRONIC EQUIPMENT

All Risks cover on electronic equipment can be purchased under this section. This section also provides full power surge cover.

EMERGENCY ACCOMMODATION COSTS

Under our motor section we will cover emergency accommodation costs up to R2000 if the insured is involved in an accident with a vehicle insured with BnB Sure or the vehicle is stolen. The incident must have taken place more than 300km from home.

EMERGENCY CLAIMS LINE

BnB SURE operates a 24-hour Emergency Claims Line. This can be accessed by dialling 0800 55 66 77. A panel of assessors is on standby to assist policyholders.

EMPLOYER'S LIABILITY

This is automatically included under the liability section.

ERRORS & OMISSIONS

An extension to the Liability section on all policies, this cover protects the insured in the event of any act, advice, error or omission committed, or alleged to have been committed, subsequent to the effective date by or on behalf of the Insured in connection with the Insured's business. The limit of liability is R5,000,000. The standard section excess of R1000 applies.

EXCESS WAIVER

The basic excess under the motor section can be cancelled if an additional premium is paid. See "NO BLAME BONUS" for further excess free benefits.

EXECUTIVE CARS

Executive type or high valued vehicles can be insured under our motor section at a competitive rate. This section is underwritten by The Hollard Insurance Co and administered by Execuline.

EXTENDED PASSENGER LIABILITY

This section of the policy can be taken out should the client be offering more than a b&b facility. Perhaps one partner runs the B&B or guesthouse and the other partner in the business has a tour operating company. The cover can be provided up to R20m any one event and can also cover vehicles larger than a nine seater. Underwritten by Absa Insurance Co through Cardinal.

FATAL INJURY

In the event of fatal injury to the insured or guest occurring in or about the building(s) caused by accidental violent external visible means which injury shall solely and independently of any other cause result in death within twelve months of such injury there is cover of R10,000. In the event of the death as a result of Thieves or fire the cover is R15,000.

FAIS ACT

This act governs the financial services sector in South Africa. It is necessary for intermediaries to show that they are "fit & proper" and also to be licensed in terms of the Act. BnB SURE's licence number is 9854.

FSB

The Financial Services Board is a unique independent institution established by statute to oversee the South African Non-Banking Financial Services Industry in the public interest. Their mission is to promote sound and efficient financial institutions and services together with mechanisms for investor protection in the markets they supervise. For more information visit www.fsb.co.za

FAILURE OF ESSENTIAL EQUIPMENT

Any loss of revenue following the failure of “essential equipment” is covered. An excess of 48 hours applies. Examples of such “essential equipment” could be air conditioning units in very hot summer regions.

FEDHASA

The Federated Hospitality Association of South Africa is divided into three regions in South Africa. The Inland Region covering Gauteng, Free State, North West, Mpumalanga and Limpopo. The East Coast Region looks after Kwa Zulu Natal and the Eastern Cape and the Western Cape Region takes care of the rest of the country. For more information visit www.fedhasa.co.za

FIDELITY

This section of the policy covers money or goods of the insured stolen by an employee who causes a financial loss to the insured. The sum insured is a flat R50,000 for up to 10 employees. a monthly premium of R400 is applicable. A basic cover of R10,000 is included at no cost. The excess is R500.

FIRST AMOUNT PAYABLE

This is the amount the client is responsible for under the specific section when claiming. Refer to each section to see if applicable.

FIRST LOSS

This indicates the maximum amount that the insured may claim in the event of a particular loss. If for example the insured feels that the security at their premises is so good that intruders will not be able to get away with more than a certain amount, they may insure for that amount only. Any loss in excess of the First Loss figure is not covered by the policy.

FORCIBLE AND VIOLENT ENTRY

There is no requirement that there be forcible and violent entry to a premises used as a B&B or guesthouse but there is such requirement in respect of self catering or holiday homes at which there is no owner or manager. Forcible and violent entry requirements could be in place for premises such as conference centres situated some distance from the main building but this is subject to underwriting.

FORCIBLE AND VIOLENT ENTRY (BACKPACKERS & HOLIDAY HOMES)

Theft is subject to forcible and violent entry in respect of these two classes of business when buildings they are not tenanted.

FROM THE BREAKFAST TABLE

The newsletter of BnB SURE that is published every two months, it contains information regarding the policy or legal information as well as news affecting the industry.

FUNERAL COSTS SECTION

The insured can purchase R6000 funeral cost, which covers their spouse, and any unmarried children under 21 or that are dependent on the insured.

GABRIEL & ANOTHER vs ENCHANTED B&B

This often quoted case refers to the theft of guest's effects. The South African courts having held on various occasions that "innkeepers" are responsible in the absence of gross negligence (on the part of the guest) or "vis major", for loss of or damage to goods/movable items received by them without proof that they were negligent in any manner.

This view was clearly discussed in the Appellate Division Case of *Davis vs Lockstone 1921 AD at 153* and which judgment was endorsed in the recent case of *Gabriel and Another vs Enchanted Bed & Breakfast CC2002(6) SA 597 (C)*.

GARDEN PLANTS

The Contents section is extended to cover loss or damage to garden plants up to R5000 following destruction by the fire department or if a vehicle drives over a plant. It does NOT cover loss or damage by storm or theft.

GHASA

Based in Cape Town the Guest House Accommodation of South Africa caters mainly for guesthouses in terms of the definition set out by the Grading Council. GHASA is a private company. For more information visit www.ghasa.co.za

GOLFERS' HOLE IN ONE

Cover in the amount of R3000 is included in terms of the All Risks section if this section of the policy is active.

GOODS IN THE OPEN

The policy covers loss by fire, storm or theft of laundry, garden furniture and implements including portable braais and lawnmowers and swimming pool equipment from the insured premises. This section is limited to 1% of the contents sum insured or R25 000 whichever is the greater.

GOODS IN TRANSIT

The policy covers the insured for damage to property insured caused by

- (a) fire, lightning, explosion, collision or overturning of the vehicle
- (b) theft or attempted theft provided that goods in an unattended vehicle were concealed and entry was visible, forcible and violent

whilst in transit between the place of purchase, repair or renovation and the insured's residence, for holiday purposes, or following a permanent change of residence. A limit of R5,000 applies.

GRADING COUNCIL

The only officially government recognised grading system for many types of accommodation establishments. Recently the Grading Council introduced a grading system for restaurants. The Grading Council uses the internationally recognised “Star Grading” from one star to five stars. For more information visit www.tourismgrading.co.za. BnB Sure offers a discount of up to 20% if an establishment is star graded (see Discounts)

GUESTHOUSE (Definition)

A guesthouse is a converted house, manor, etc adapted to accommodate overnight guests or it may be a purpose built facility. A guesthouse is run as a commercial operation and is often owner-managed. A guesthouse has public areas that are for the exclusive use of the guest. The owner/manager either lives off-site, or in a separate area within the property.

GUEST EFFECTS LIABILITY

South African law makes it a “Strict Liability” situation should a guest have goods stolen at an establishment. The South African courts have held on various occasions that “innkeepers” are responsible in the absence of gross negligence (on the part of the guest) or “vis major”, for loss of or damage to goods/movable items received by them without proof that they were negligent in any manner.

GUEST EFFECTS COVER (LIABILITY SECTION)

BnB SURE gives R50,000 cover for this strict liability at no additional premium but in every case negligence must be proved against the guesthouse owner and the claim by the guest substantiated.

GUEST EFFECTS COVER (CONTENTS SECTION)

The contents section is extended to provide perils cover for the uninsured personal effects of a paying guest up to R25,000. This cover extends to goods contained in the guests motor vehicle subject to goods in a motor vehicle being concealed in a locked boot or in a storage compartment forming part of a locked vehicle. Additional cover may be bought up to a limit of R200,000 at a premium of R10.40 per R10,000 per month. No disclaimer is required, only an affidavit of non-insurance signed by the guest.

GUEST EFFECTS COVER (NON PAYING GUESTS)

The company will indemnify any guests temporarily residing with the insured if their household goods and personal effects (excluding money and negotiable instruments) not otherwise insured are lost or damaged by a defined event. The limit for this cover is R5000 and no premium is charged.

GUESTS MEDICAL EVACUATION

This section of the policy pays for a guest who is seriously ill to be evacuated and admitted to hospital. The basic cover is R10,000 but this may be extended to R50,000 or R100 000.

HAZARDOUS PURSUITS

Liability arising out of any activity relating to scuba diving or any other “extreme sport” including but not limited to bungee jumping, parasailing or hang gliding is excluded from the Liability section.

HISTORY OF BnB SURE

BnB SURE was launched on 1 August 1999 after a year in development. The policy was designed strongly in conjunction with the B&B and guesthouse industry, the only such policy in the country to do this from initial development. This philosophy has enabled us to keep abreast of the market requirements.

HOLIDAY HOMES (Definition)

A Holiday Home is a private type domestic residence that is rented on a self-catering basis.

HORSE RIDING

Horse riding is excluded under the liability section but cover can be purchased at an additional premium and subject to completion of Equine Questionnaire.

HOSPITALISATION OF A KEY MEMBER

Loss of Revenue following the hospitalisation of a key member of the establishment being a spouse, partner or manager is included. In terms of hospitalisation following accident there is no restriction in terms of time. Hospitalisation in terms of illness has a seven-day FRANCHISE and is limited to 21 days following the date of hospitalisation.

HUNTING

No cover is available in respect of any hunting lodge or hunting activities.

IMMIGRATION AMENDMENT ACT

Many accommodation establishment owners are unaware of the requirement that the Immigration Act has on their businesses. In terms of both the amendment act and the subsequent regulations, accommodation establishment owners are required to maintain a guest register and obtain and retain the following information on their guests -

Full names of guests

I.D. or Passport numbers

Residential status in S.A (tourist, citizen or permanent resident)

Residential address

Signature

These records must be retained for a minimum period of 6 months and made available to the department representatives on request. The Department of Home Affairs does not prescribe the format for recording this information. That is entirely up to each business owner.

INFLATION PROTECTOR

BnB Sure will increase the Buildings, Contents and Loss of Revenue sums insured by 1.25% every month but no increase in premium is made until the following anniversary date. Should the insured disagree we will amend to their stipulated sum insured. This is not a figure linked only to inflation but also to acquisition during the year.

INSURANCE CERTIFICATE

Since 2000 BnB SURE has offered a certificate stating that the premises displaying the certificate is insured by BnB SURE and that a full copy of the policy schedule and wording is available on request. It also displays the details of BnB SURE in terms of FAIS.

INSURANCE INSTITUTE OF SOUTH AFRICA

The Insurance Institute of South Africa is a non-profit, section 21 company engaged in the delivery of education, training and skills development to the insurance and related sectors. The IISA has positioned itself to be involved both in higher education academic qualifications and in vocational qualifications and vocational skills programmes. The Institute therefore looks to a blended educational delivery system, making use of appropriate electronic media as well. For more information visit www.iisa.co.za

INSURERS

We are underwritten on the material damage aspects by Zurich Insurance Company South Africa Limited and our Liability section is underwritten by certain underwriters at Lloyd's. Our Executive motor section is underwritten by Execuline (Hollard Underwriters). The Funeral Section is underwritten by Prosperity. Guest Medical Evacuation section is underwritten by Travel Insurance Consultants through SANTAM. Extended Passenger Liability section is underwritten by Cardinal (ABSA).

LEGAL DEFENCE COSTS

This is included in the Liability section without limit provided underwriters agree to expenses incurred resulting from the defence of any event giving rise to a liability claim. This is an extremely important section of the policy as many policies in South Africa limit their legal defence costs.

LIABILITY

Liability insurance is available through BnB SURE to a maximum limit of R100m. Passenger liability for passenger car type vehicles follows the limit of the General liability up to a limit of R50m. This passenger liability is subject to the driver being in possession of the correct driver's licence.

LIFE JACKETS (Liability section)

Where canoes/rowing boats or sailing boats are used on inland waters it is a condition precedent to liability that:

- (a) the insured is to complete and carry out daily checks of the canoes/sailing boats;
- (b) no rental to or use by intoxicated persons;
- (c) children under 14 are not allowed on such watercraft without an accompanying adult;
- (d) appropriate life jackets to be worn by all persons on such watercraft;

LOCKS AND KEYS

The costs necessarily and reasonably incurred following loss of or damage to any locks or keys (including cardkeys and remote control devices) for the residence and its outbuildings are covered subject to a limit of R5000.

LODGE (Definition)

A lodge is an accommodation facility located in natural surroundings. The rates charged are usually inclusive of an experience offered at the lodge, viz game drives, battlefield tours, etc. In general, food and beverage services are provided for all meals.

LOSS OF MONEY

Loss of money is automatically included under the Contents and All Risks sections up to a limit of R5000 if these sections are active.

LOSS OF REVENUE

The insured can cover their loss of revenue due to various insured interruptions with the business. Extensions that are vital to the B&B or guesthouse owner have been included under this section. See Underwriting Guide for cover included in the Revenue section.

MEDICAL EXPENSES

The medical expenses extension of the Contents section extends to give cover of up to R5000 for any incident happening to a guest at the premises. An example of this is if intruders enter the premises and assault the guests.

MEDICAL MALPRACTICE

Our liability section is extended to protect the insured against any first aid treatment administered by the insured which causes injury.

MOTOR SECTION

BnB Sure can cover all types of vehicles, even executive types at high values. We include some extensions at no additional cost. We rate vehicles as being used for both “business” and “private” as experience has taught us that most fall into the category.

MOTOR PRIVATE USE

BnB SURE will consider a premium discount where a vehicle is used STRICTLY for private use. This would mean that it is not even used to travel for the purchase of groceries for the guesthouse.

MONEY SECTION

This section can be taken but is subject to safe category limits, business hours between 8:00am and 8:30pm, and transit to the bank is direct and uninterrupted. Money is automatically covered up to R5000 in the premises in terms of the Contents section.

MURDER

Loss of revenue as a result of a murder or any attempt thereat at the insured premises is an automatic extension to the Revenue section of the policy when this section is applicable.

NAA-SA

The National Accommodation Association of South Africa is the largest of the associations acting on behalf of B&Bs and guesthouses in South Africa. The association originally started as a “bottom up” body where local associations affiliated to provincial bodies and then to the NAA but in recent times membership is available direct by establishments without the need to belong to a local association. For more information visit www.naa.co.za

NO BLAME EXTENSION

In the event of a vehicle being involved in a collision where this was NO doubt that this was not the fault of the driver, the First Amount Payable will not apply and the No Claim Discount will not be affected. If later this decision is shown to have been incorrect the First Amount Payable will then become payable and the No Claims Discount will be adjusted. This extension does NOT apply to the Executive Motor section.

NO CLAIM DISCOUNT

Maximum discount is 20% under Contents and Motor sections

NOISE POLLUTION (LOSS OF REVENUE SECTION)

Loss following interruption of or interference with the business by any event arising from abnormal noise at any neighbouring premises within 500 meters of the premises insured by this policy following building operations at such neighbouring premises is covered as an extension to the Loss of Revenue section.

OMBUDSMAN FOR SHORT TERM INSURANCE

The purpose of the Short Term Insurance Ombudsman is to resolve disputes between members and insured consumers in an independent, impartial, cost-effective, efficient, informal and fair way. For more information visit www.osti.co.za

OTHER INSURANCE

If, at the time of any event giving rise to a claim under this policy, an insurance exists with any other insurers covering the insured against the defined events, the company shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of average; this policy, if not already subject to any condition of average, shall be subject to average in like manner. _

PASSENGER LIABILITY

Passenger liability for paying guests is included to the amount of the Liability section or R50m whichever is the greater. The first “layer” is covered in terms of the motor section and the balance in terms of the Liability section. Drivers transporting paying guests should ensure they are correctly licensed. Cover can be added for transportation of non-guests at an additional premium.

PDP

This permit is required under most circumstances when fare-paying passengers are being transported. For the purposes of the Act, “fare paying” can mean “FARE, OR OTHER CONSIDERATION OR REWARD”

A legal opinion on the need for a PDP was obtained and can be found in the February 2005 and February 2006 newsletters “From the Breakfast Table” on the website www.bnbsure.co.za. Establishments should, however, check either with their attorney or the local licensing authorities to establish the need for a PDP.

PERSONAL ACCIDENT SECTION

Cover can be taken for an amount stated should the insured person become injured or deceased. The section can also include Critical Illness, Medical Expenses & Income Protection.

PERSONAL EFFECTS OF GUESTS

See “Guest Effects Cover”.

PLAYER TO PLAYER LIABILITY

Player to player liability arising out of any sporting activity is excluded from the Liability section.

PLEASURECRAFT SECTION

Pleasurecrafts owned by the insured can be insured under this section up to a value of R100 000.

POLICY WORDING

BnB SURE is a “hybrid” between a personal policy and a commercial policy recognising that the B&B owner needs both components. It contains various unique sections with wordings specially designed for the industry and which are unique to BnB SURE.

POWER SURGE

This is an extension under the Contents section and has automatic cover of R15,000 with a R1000 excess, additional cover in excess of the R15,000 can be bought. This is an addition to lightning damage insurance that is already covered.

The cover is also included in terms of the Buildings section up to R15,000 with a flat R1000 excess at no additional premium. Additional cover in excess of R15,000 can be bought.

PROPERTY OF EMPLOYEES

Cover is automatically included for the insured’s domestic employees property whilst at the insured’s residence up to a limit of R5000.

PROPOSAL FORMS

Proposal forms change continually as the policy changes and can be obtained from any of the offices of BnB SURE or downloaded from the website www.bnbsure.co.za

QUOTATIONS

We have a quote system on our website, www.bnbsure.co.za Premiums can be calculated by means of an on-line quote or the quote system can be downloaded. Should you not feel comfortable handling the quote yourself, you can fax or email the details to our quote desk at quotes@bnbsure.co.za and we will supply the quote within 12 working hours.

RAPE

Loss of revenue as a result of a rape or any attempt thereat at the insured premises is an automatic extension to the Revenue section of the policy when this section is applicable.

REFRIGERATOR OR DEEP FREEZE CONTENTS

The deterioration of foodstuffs contained in any refrigerator/deep freeze unit in the residence as a result of breakdown, accidental damage or failure of power supply to the unit is covered to a R7500 per unit.

REINSTATEMENT OF DATA

Automatically included under Contents and Electronic Equipments sections up to a limit of R5000 at no additional cost.

SCHEDULE SUMS INSURED BLANK

If, in a schedule of this policy, the sum insured, limit of liability or compensation is:

- (i) left blank or has no monetary amount stipulated against it
- (ii) reflected as nil or not applicable or not covered or no indemnity extended

this means the defined event or circumstance shown in the schedule is not insured by the policy.

SASRIA

This cover is automatically included and covers riots and strikes within South Africa.

SAUMA

The South African Underwriting Managers Assoc is the voice of Underwriting Managers as defined by Section 48(2) of the Insurance Act.

SECOND CLAIM EXCESS

BnB SURE uses the unique “Second Claim Excess” system rather than the double penalty of the loss of a Non Claim Bonus after a second claim. Whilst most insurers will adjust the No Claim Bonus by 2 “notches” after the first claim and the remaining discount offered by the No Claim Bonus following a second claim, BnB SURE adjusts the No Claim Discount **ONLY AFTER THE FIRST CLAIM** but in the event of a second claim **WITHIN 12 MONTHS** applies a Second Claim Excess of R1000 thereby saving the insured the loss of further Bonus plus additional premium for some six years. On the Second Claim Excess basis if the second claim occurs 12 months and one day after the first, there is no further premium penalty or excess applicable. The Second Claim excess does not apply to Fire or Storm claims.

SELF-CATERING (Definition)

A self catering establishment is one where guests may hire either a room, a suite or an entire cottage and instead of being provided with breakfast cater for this themselves. Any self-catering establishment **NOT** on the same premises as the owner or manager is underwritten according to individual risks.

SHARK ATTACK

The Revenue section of the policy covers loss of Revenue following a shark attack within a 5Km radius of the insured establishment if this section is active.

SIGN BOARDS

Cover for signboards or signposts for loss or accidental damage whether on the insured premises or not is included in terms of the Contents section. The limit is R7 500 with a R500 excess.

STAFF STAY-AWAYS

The Revenue section covers loss following the interruption of or interference with the business resulting from staff stayaways, legal or otherwise. The company shall not be liable for any loss incurred in the first two days of such stayaway.

STRICT LIABILITY (See Guest Effects Liability)

The legal position in regard to innkeepers (and this includes B&B and guesthouse owners) is relatively clear. In short, the innkeeper is to be liable to the guest for any loss and /or damage sustained to items upon and stolen from the premises of the innkeeper, notwithstanding a lack of negligence on the part of the innkeeper and in the absence of the successful raising of a defence.

The South African courts having held on various occasions that “innkeepers” are responsible in the absence of gross negligence (on the part of the guest) or “vis major”, for loss of or damage to goods/movable items received by them without proof that they were negligent in any manner.

SUBSIDENCE & LANDSLIP

Automatically applies to all Buildings section in force.

SUICIDE

Loss of revenue as a result of a suicide at the insured premises is an automatic extension to the Revenue section of the policy when this section is applicable.

SWIMMING POOLS (Caravan Parks liability)

The Liability section of the policy covers the use of swimming pools at the premises of a Caravan Park but there must be a notice alongside the pool stating that use of the pool is at the risk of the user and the Insured accepts no liability for any accident or injury as a result of the use of the pool.

TAX INVOICE

The premium computation page of the schedule becomes a VAT invoice on payment of the premium.

TELEVISION SETS AND ANCILLARY EQUIPMENT

The policy gives cover for accidental damage (other than mechanical or electrical breakdown) to any television set, video recorder or its aerial in the residence.

TERRITORIAL LIMITS

The policy will cover the insured in the following areas Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Mozambique, Zimbabwe or Malawi. The All Risks section gives worldwide cover.

THEFT SECTION

This section may be selected by the insured where they feel that there is no need for the full value of theft cover for the contents. This could be the case where the contents sum insured is very large and the security very good. The theft sum insured is then selected on a “First Loss” basis. (see FIRST LOSS above)

TOLL FREE NUMBER

The toll free number 0800 55 66 77 must be used at all times when reporting a claim in terms of the Electrical, plumbing or appliance maintenance section of the policy. The insured will first be asked if he/she has a preferred service provider thereby allowing the insured to use a familiar provider.

TRAMPOLINES (Liability section)

The Liability section of the policy covers the use of trampolines at the premises but there must be a notice alongside the trampoline stating that use of the trampoline is at the risk of the user and the Insured accepts no liability for any accident or injury as a result of the use of the trampoline

TRAUMA COUNSELLING (Contents & Motor sections)

The policy will pay the cost of trauma counselling as a result of any event following violence or the threat of violence at the establishment for guests but including away from the premises for the insured and permanent staff members limited to R1000 any one person and R6,000 any one event. This extension also applies as a result of any event following violence or the threat of violence happening as a result of the driving of any vehicle insured by this policy but limited to R1000 any one person and R5000 any one event.

TRAUMATIC EVENT (Revenue section)

Loss following interruption of or interference with the business by any event caused by any accidental, violent, external and visible means at the premises insured by the policy is covered by the Revenue section.

UNDERWRITING GUIDE

An underwriting guide forms part of this Dictionary and will assist in rating risks as well as establishing exactly what type of risks are written.

UNOCCUPIED PREMISES

Premises of a B&B or guesthouse left unoccupied for a period longer than 24 hours still remain insured but are subject to an additional excess of R5000. This excess can be negotiated depending on the security at the establishment.

VEHICLE PERMITS

Vehicle permits may be required in addition to the driver's PDP if fare paying passengers are being carried. Establishments doing this sort of transportation should check this with their local vehicle licensing authority.

VETERINARY FEES

BnB Sure covers veterinary expenses due to accidental bodily injury arising from a road accident to a domestic animal owned by the insured. The extension is limited to R1000.

WATER LEAKAGE (see policy wording for exclusions)

The policy covers charges raised by a local authority for water lost through leakage from pipes on the insured's property provided that

- (a) the consumption reading must be at least 50 percent more than the average of the previous four readings
- (b) the insured take immediate steps to repair the pipe(s) affected on discovery of a leak (by physical evidence or on receipt of an abnormally high water account)

WILD ANIMAL ATTACK

The Revenue section of the policy covers loss of Revenue following a wild animal attack within a 5Km radius of the insured establishment if this section is active.

WRONGFUL ARREST & DEFAMATION

This is an automatic extension under the Liability section.