

Press release from Insurance Claims Africa (ICA) and Ma-Afrika Hotels
31 August 2020

Please note:

- Applicant's court papers are available
- Pictures of Ma-Africa / ICA spokespersons available upon request

Watershed insurance claim in court tomorrow: ICA/Ma-Afrika Hotels vs Santam

Johannesburg, 31 August 2020 -- Insurance Claims Africa (ICA) has joined forces with hospitality group Ma-Afrika Hotels in its litigation against Santam, which is due to be heard tomorrow 1 September, in the Western Cape High Court.

Ma-Afrika Hotels (Pty) Ltd and Stellenbosch Kitchen (Pty) Ltd, a restaurant company, are joint applicants in this matter, which will be heard by a full bench, led by Deputy Judge President Goliath.

Ryan Woolley, CEO of ICA, the public loss adjustment company that is representing over 700 businesses in the tourism and hospitality sector in their battle to get large insurers to pay out on these claims, says: "We believe this is a watershed test case in which the judgment will have far-reaching implications across the entire insurance industry. It's also a critical case for all claimants in the tourism and hospitality sector, for whom the failure of their insurers to pay their legitimate claims has had a devastating impact on their businesses and their employees. It has impacted people's lives in the most profound and destructive way.

"While it's Ma-Afrika Hotels in court tomorrow, the truth is that they are there on behalf of all tourism businesses who bought Business Interruption insurance that included cover for notifiable infectious and contagious diseases. It's also not only Santam in the dock tomorrow but also a rogue's gallery of insurance companies, which includes Old Mutual Insurance, Hollard, GuardRisk, Bryte, Thatch, F&I, TRA, Lombard, AIG, CHUBB, and Monitor. Like Santam, all these companies have rejected these claims and are waiting to see what the court decides."

"These claimants, in choosing an insurer and a policy, did so with the understanding and trust that their chosen insurer would be there for them when disaster struck. It is, after all, what they paid for and what they deserve. Our hope is that these claimants see justice and receive the financial support that is due to them so that they can continue to be part of our country's vital tourism sector, and to support and sustain jobs."

Elna du Toit, Chief Operating Officer of Ma-Afrika Hotels, the applicant in tomorrow's case against Santam, says: "Over many years we have worked hard, and invested significantly, to build an exceptional hospitality group that is made up of four hotels and two restaurants, including the popular Stellenbosch Kitchen. But, most importantly, we have built a business which employs 210 loyal staff and sustains over 1000 of their direct dependents. Their lives and livelihoods remain our concern.

"The truth is that Santam and other large insurers in South Africa have lost their moral compass, their credibility and their decency. It's a travesty that we are having to go to court

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to fight for what is due to us. If there's one thing that Covid-19 has shown the tourism and hospitality sector, it's that when it comes to insurers, they will promise you the earth to get your premiums, but will let you down when you need them most."

The Tourism and Hospitality sector sustains over 740 000 direct and 1.5 million indirect jobs, contributing billions of rands to the South African economy. Since March 2020 when the Covid-19 outbreak occurred and subsequently the national quarantine / lockdown, tourism and hospitality businesses of all sizes have suffered tremendous losses and many have been forced to close their doors.

ICA and Ma-Afrika Hotel's legal team is led by advocates Jeremy Gauntlett QC SC, Mike van der Nest SC, Sean Rosenberg SC, Guy Elliott SC, and Porchia Long and Jason Mitchell. They are instructed by attorneys Anel Bestbier of Thomson Wilks, and David Bayliss.

"ICA believes that the decision taken by the courts will be precedent-setting and will reverberate through the insurance industry for years to come," concludes Woolley.

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