

26 July 2020



Dear Broker Partner

SMMEs in South Africa have seen their trading conditions severely impacted by the national lockdown measures. In the hospitality sector specifically, restrictions have compromised business viability and sector risk is at an all-time high. Bryte is deeply invested in the markets we serve, and we believe that a concerted effort, by both government and the private sector, is needed to secure the sustainability of small hospitality players in South Africa.

Legal certainty is a framework all insurers can use to validate claims

As you know, there is currently a divergence of views in relation to business interruption claims on policies with a notifiable diseases clause. Bryte maintains that the national lockdown is not an insured event. However, we understand that policyholders and other stakeholders may have a different view. Therefore, in order to achieve certainty, we have opted to submit this matter to the judicial process – in consultation with the regulators – to enable all parties to achieve legal certainty.

In the insurance sector, a strict adherence to the consistent interpretation of each policy contract is a fundamental of good governance that ensures the interests of all parties are protected. For Bryte – and for the sector – the process of achieving legal certainty is therefore essential to ensuring a robust and resilient interpretation of policy wording that ALL insurers can use to validate claims. Bryte believes in paying all valid claims timeously and we have already paid more than 3,700 COVID-19 related claims amounting to more than R100 million to our customers.

Social compact for economic recovery

On Thursday, 23 July 2020, President Ramaphosa called for a social compact for economic recovery, growth and transformation in South Africa.

Bryte is committed to its active citizenry in this and we believe that our first contribution to the compact lies in recognising the short-term challenges our SMME hospitality customers are facing, and working to offer additional relief.

This relief is offered beyond our existing programmes that have already seen us allocated over R45 million worth of premium relief and deferred renewal adjustments.

Over the past few weeks, in partnership with the FSCA and PA, Bryte has been in discussions about how insurers can put structured measures in place to alleviate some of the immediate pressure on smaller hospitality customers.

We are proud to share that we have arrived at a commitment to provide interim financial relief to small businesses who hold one of our extended hospitality policies.



Bryte pays a full 2 weeks' BI up to R100,000 as interim relief

SMME policyholders on the Wine Dine & Leisure, Cuisine, Boutique Stay and Tours & Transfers products are eligible to apply. The relief is equal to 2 weeks of the business interruption sum insured by the policyholder up to a maximum value of R100,000 (excluding VAT). Should the court find in favour of the policyholders, the relief payment will be deemed as an interim settlement which will be offset against the final amount which may become payable.

Bryte believes its hospitality customers' businesses are an essential part of our social and economic ecosystem – contributing not only to local economies and job creation, but to the country's national and international hospitality and tourism proposition too. Therefore, should the courts find in favour of the insurers, the interim relief amount paid out to policyholders will not be refundable. It will then become an investment that South African insurers make in hospitality sector sustainability as part of a shared value mandate.

At Bryte, we hope that these measures will, even in a small way, contribute to alleviating some of the immediate challenges that the hospitality sector SMMEs are facing. We know that the road ahead is rocky, but we believe that if all stakeholders stand together, follow due process, and extend a hand where they can, we will be able to develop a solution that meets the best interests of us all.

If you have clients who would like to apply for the Hospitality SMME relief initiative, please ask them to complete the application form attached and return it to hospitality.info@brytesa.com.

If you have any questions, please don't hesitate to contact me on 082 856 0739.

Yours sincerely



Lana Mizen
Head: Hospitality