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FOREWORD
This booklet was originally printed in the year 2000. While the necessity for insurance in the tourism industry has not changed, the products available to tourism service providers for the transfer of risk have developed significantly, and the environment in which the insurance industry operates has also undergone significant change, necessitating this revision of the Southern African Tourism Insurance Directive in order to comply with the Financial Advisory and Intermediary Services Act (FAIS) in South Africa.

FINANCIAL SERVICES BOARD AND FAIS COMPLIANCE
The Financial Services Board is an independent institution established by government statute to oversee the South African Non-Banking Financial Services Industry in the public interest.
FAIS is an acronym for Financial Advisory and Intermediary Services Act and is legislation that impacts on the financial services industry, which includes the short term insurance industry. The FAIS Act aims to regulate the giving of advice and rendering of intermediary services to clients, as well as certain other issues. The Act further refers to the term fit and proper, which is a collective term for all the personal characteristics, academic qualifications, experience and the operational ability that all authorised Financial Service Providers (FSP), representatives and key individuals must possess to be able to render financial services.

As a SATSA member and sponsor of this booklet, SATIB Insurance Brokers is registered with the Financial Services Board (FSP License No. 16388 / IGF No. 002366). SATIB Insurance Brokers’ adherence to the FAIS Act is driven by its philosophy of good business practice and not solely by compliance with legislation. In this respect, all relevant SATIB Insurance Brokers’ staff comply with the FAIS Act and have been certified as fit and proper.
This directive does not imply that you have to use SATIB Insurance Brokers for your short-term insurance needs but it is advisable to ensure that you only use the services of a registered, FAIS compliant insurance broker and preferably one that is a member of SATSA (refer list below).

OTHER SOURCES OF INFORMATION RELATING TO SHORT-TERM INSURANCE
Ascent Underwriting Managers (SATSA No. 1766) – www.ascentsure.co.za
BnB Sure (SATSA No. 1636) – www.bnbsure.co.za
Financial Services Board (South Africa) – www.fsb.co.za
Hospitality Industrial Commercial Underwriting Managers (SATSA No. 1505) – www.hicsa.co.za
Insurance and Pensions Commission (Zimbabwe) – www.ipe.co.zw
Intasure (SATSA No. 1543) – www.intasure.co.za
International Association of Insurance Supervisors – www.iaisweb.org
Namibia Financial Institutions Supervisory Authority (Namibia) – www.namfisa.com.na
Non Bank Financial Institutions Regulatory Authority (Botswana) – www.ifsc.co.bw/nrifira.php
Pensions and Insurance Authority (Zambia) – www.pia.org.zm
Road Accident Fund (South Africa) – www.raf.co.za
South African Insurance Association (South Africa) – www.saja.co.za
Short-term Ombudsman (South Africa) – www.osti.co.za
SATIB Insurance Brokers (SATSA No. 508) – www.satib.com
Tourism Tattler (SATSA No. 1907) – www.tourismtattler.com/category/articles/risk-and-insurance/
USA Regulator: National Association of Insurance Commissioners – www.naic.org

Cover image courtesy of South African Tourism – www.southafrica.net
**INTRODUCTION**

Insurance is an emotive issue and viewed by most as a ‘grudge purchase’. No-one likes paying insurance premiums for something that may or may not occur but it just might happen to your company and you owe it not only to yourself and your clients, but more importantly to the tourism industry at large, to be adequately insured and fully aware of the procedures in the event of an accident or a claim.

This booklet is intended for companies operating in the tourism field within the geographical region of *Southern Africa, with particular reference to conditions applicable in South Africa. It is directed to all companies undertaking tours, offering accommodation of any nature, those providing an auxiliary activity, and operating or hiring out any form of transport whatsoever.

It is not the intention of this booklet to frighten anyone, in fact quite the contrary. It aims to put forward a realistic set of parameters that apply to Southern African conditions and circumstances and is not based on threats and prohibitive laws that may govern other countries. As a professional tourism service provider you live, work and operate in Southern Africa and it is imperative that it is the tourism industry itself who set the guidelines by which you are prepared and in fact able to function. Obviously these must be based on world norms and the industry must aspire to first world standards.

**EC DIRECTIVE**

The European Community Directive 90/314/EEC relating to the Package Holidays and Travel Trade Act, 1995 is legislation that governs the conduct of Tour Organisers operating from within European Community (EC) member states.

The Act seeks to protect the consumer by making the Tour Organiser liable for injuries, losses and the proper performance of the whole tour package, even if the injury, loss, failure or improper performance is due to the fault of a supplier outside of the EC of one or more of the services provided.

If a tourist books a safari holiday in South Africa through an organiser in the UK and is injured at a Game Lodge in South Africa, he need only prove that the Lodge was liable for the injury in order to succeed in a claim against the organiser. Thus, the UK tour organiser is held legally liable for an incident where there is no ‘fault’ on their part.

Given the legal complexities involved, and the international nature of trade in the Tourism Sector, it is imperative that all operators in the value chain have adequately constructed Liability policies with the appropriate EC Directive extensions. In particular, your liability insurance policy must extend to cover your sub-contractors.

**RISK MANAGEMENT**

The first thing to understand about risk is that it is part of our everyday lives.

“Risk is universal, present in all things, all lives, inherent in being. The concept of a person free from risk is as theoretical as the concept of perfection” (Jawhararlal Nehru - 1889-1964).

Given that risk is inherent in being, the question is not so much about how to avoid risk as it is about how to minimise the consequences of risk occurrence, from both a financial and reputation point of view.

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*Southern Africa is defined in accordance with the fifteen member states of the Southern African Development Community (SADC), namely Angola, Botswana, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.*
Consider these three basic theoretical principles:
1. Whenever an event results in the loss of tourist lives (especially international tourists), the global media are almost certain to report it, forcing the local tourism industry to be embroiled in acts of crisis management.
2. Perceptions about a particular tourism related crisis tend to be almost as devastating as the crisis itself.
3. The farther away one is from a crisis location, the worse the crisis will appear to be and the longer the crisis will remain in the collective travel subconscious.

These principles highlight the need for responsible risk management procedures in every aspect of the tourism industry, from transport to attractions, from hotels to conferences. What is important for tourism stakeholders to understand is that it is significantly less expensive to manage a risk prior to the event than to deal with a crisis after it has occurred.

LEGAL ISSUES

The concept of a legal duty is a device that law courts in South Africa use to determine whether or not it is reasonable to impose liability. A tour operator has a duty to conform to reasonable standards of care. The test of ascertaining the existence of a duty of care in any particular case is the ‘foresight of a reasonable person’. This means that one owes a duty of care to persons to whom harm may be reasonably foreseeable.

In this regard the following questions must be asked:
• Would a reasonable person, in the position of the defendant, have foreseen the possibility of his or her conduct injuring another; and
• Would a reasonable person have taken steps to guard against this danger?
• If so, did the defendant take the steps in question? If not, the defendant would probably be considered negligent.

In the tourism industry, most claims that give rise to liability are personal injury and loss of personal possessions. Associated with the complex nature of the tourism value chain, liability due to neglect, errors and omissions also constitute a significant exposure when providing composite packages using multiple suppliers.

THE SIZE OF A PERSONAL INJURY CLAIM

A personal injury claim can range from between R5 000 for a minor injury to tens of millions for one that could result in a victim becoming a quadriplegic. Bearing in mind that the tourism industry attracts high net worth individuals, personal injury claims have the potential to be substantial. It is not uncommon for an injury claim to far exceed the operator’s insurance cover limits, which can ultimately lead to the relevant employee of the tour operator being declared insolvent and his or her employer (the tour operator company) being liquidated.

*Case Study: While on a game drive at a private nature reserve in Namibia, the driver lost control of the vehicle, which subsequently rolled. One passenger sustained life-changing injuries while two of the other passengers were seriously injured. These three guests sued the driver and the safari lodge as the owner of the vehicle. The guest with life-changing injuries was awarded a settlement of NAD80 million and the two other guests were awarded NAD2.9 million and ZAR3.5 million respectively. Legal fees incurred in defending the case amounted to NAD10 million, with a combined claim value of NAD96.4 million.

*Although the legal framework involved in motor vehicle related injuries in South Africa has changed in recent years (refer point 2.3 - Road Accident Fund) this case study highlights the ever present factor of risk and the potential values involved.

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QUANTIFYING RISK EXPOSURE

Compiling a detailed list of all potential hazards within your tourism service that could give rise to potential public liability risks / incidents would be a first step. After carefully implementing procedures and practical measures to minimise each hazard, one should then attempt to quantify, in financial terms, those risks that are unavoidable in order to decide on which would be sustainable using internal resources and which risk exposures would need to be insured.

THE CONCEPT OF INSURANCE

Insurance is a means of transferring risk. In other words, it is a means of covering those risks that are sufficiently large in financial terms that if they occurred, the consequences could devastate your business. Insurance is therefore undertaken not for profit, but to place you in the same financial position as you were immediately prior to the loss.

The objective should be to compile and manage a risk portfolio with minimal exposure, thus ensuring that insurance premiums paid over a period of time accumulate to your benefit by virtue of incentives (no-claim bonuses) being accumulated on an annual basis. Thus a much higher level of exposure and indemnity limit is obtainable at vastly reduced premiums when compared to premiums required for the same level of cover.

TYPES OF INSURANCE

Basically there are five kinds of insurance that really apply to the tourism industry:

1. INSURANCE BOND
2. LIABILITY INSURANCE & PROFESSIONAL INDEMNITY
3. VEHICLE / PROPERTY INSURANCE
4. TRAVEL INSURANCE / MEDICAL RESCUE
5. OTHER BUSINESS INSURANCE

1. INSURANCE BOND

A insurance bond, (also referred to as a financial guarantee, contingency policy or indemnity bond) is a non-cancellable insurance policy that is created to offset losses arising from specific financial transactions. It is common practice for tourism service providers to ask their clients for upfront deposits to secure travel or accommodation bookings. A financial guarantee protects the tourists’ deposit in the event of the insured service providers’ involuntary liquidation.

It is important to note that this type of insurance cover will not respond to claims for the reimbursement of deposits where the insured entity has voluntarily gone out of business or traded illegally.

TIP: ✔️ The SATSA Bond* is administered by the SATSA Lost Advances Fund Committee** to cater for difficulties experienced through the loss of deposits paid by a client to a member for the provision of services or products by that member who subsequently is placed under involuntary liquidation.

The fund is restricted to a pre-determined event amount that increases annually in respect of any one incident. Should this amount be exceeded due to there being a number of claimants, the maximum amount is then distributed on a fair proportional basis as determined by the SATSA Lost Advances Fund Committee, with whom sole discretion rests for the adjudication and payment of claims.

*The term 'Bond' or 'Bonded' refers to the SATSA Lost Advances Fund.
** The SATSA Lost Advances Fund Rules can be viewed at www.satsa.com
2. LIABILITY INSURANCE

What is it?

Liability insurance is a product that is bought by organisations, companies and individuals to cover the risk of a common law claim for damages by someone who is injured or suffers some form of quantifiable or financial loss whilst in the insured’s care.

An added risk is the responsibility of maintaining private roads where a client may have an accident due to poor maintenance or an unmarked hazard or danger. Even secondary provincial roads that are in a poor state can become an issue and where this is the case you should continually lobby the local authority to rectify such so as to emphasise their liability in this regard.

In terms of the SA National Road Traffic Act 93 of 1996, a public road is defined as any road, street or thoroughfare or any other place (whether a thoroughfare or not) which is commonly used by the public or any section thereof or to which the public or any section thereof has a right of access, and includes:
(a) The verge of any such road, street or thoroughfare;
(b) Any bridge, ferry or drift traversed by any such road, street or thoroughfare; and
(c) Any other work or object forming part of or connected with or belonging to such road, street or thoroughfare.

Legal opinion: By definition, a public road is not linked to the ownership of the road but to the common right of use to the road. A road may be considered private for purposes of road maintenance but if used by the public, it is considered a public road in terms of the National Road Traffic Act, 1996. In terms of the law, very few roads are considered to be private as it would need to be proven that the road has access control and that no members of the public use the road at all.

Liability insurance covers your legal liability arising from accidents or other incidents which may occur at meetings, events, guided tours, safaris, transportation or simply on your premises where you are deemed to have been negligent. Examples include food poisoning, slipping on the floor, having an eye injured by the branch of a bush whilst on a game drive, being trampled by an elephant or even a bungi cord that breaks.

Negligence in law is a complex issue but can be simplified for purposes of understanding to simply doing something without a reasonable amount of care or failing to have done something, that might reasonably have been done, to prevent the incident from having occurred in the first place.

Most liability insurance policies only cover actions brought against the insured entity, unless the policy specifically extends to include ‘all sub-contractors’. This is an important aspect, specifically from a Tour Operators’ perspective, as they often sub-contract the services of Tourist Guides, for instance. Unless the policy wording is specifically extended, the Tourist Guides would need to have their own liability cover, which should be checked by the Tour Operator, for the reason that any actions instigated as a result of the Guide’s negligence could result in the Tour Operator being found liable by virtue of contractual obligation. The same applies to Tour Brokers who sub-contract the services of Tour Operators.

TIP: As liability insurance is negligence based (fault must be proven in a court of law), it is important to ensure that the policy does not cap (limit) legal defence costs.
Why do you need it?

Certain government regulations, credibility associations (such as SATSA) and funding organisations, require that you have insurance cover in place before undertaking any tourism related activities. Without such cover, tourism businesses are fully exposed to the risk of liability claims, which not only threatens their financial survival, their employees’ jobs and the claimant’s chances of being fully compensated but also impacts negatively on the general tourism industry and the destination country as a tourist destination. Here one must also consider that even if the action against the organisation is successfully defended in a court of law, the legal fees incurred over the lengthy process of defending the case can often exceed the amount of the initial demand. Again, most liability policies will cover the legal costs incurred in defending the case, but make sure that this cover is not limited to a level below the indemnity (sum insured) limit. Another important point to consider is the management of false or spurious claims and the associated damage to brand and goodwill that these can cause.

What’s available?

Liability policies come in several forms, some of these being: General Public Liability (GPL), Professional Indemnity (PI), Directors and Officers Liability (D&O) and Passenger Liability Insurance (PLI). The reason that all covers are not offered in one policy is primarily due to the different risk profiles or likelihoods of occurrence and distinct interests being protected to which insurance underwriters are exposed in the various cover types.

2.1) GENERAL PUBLIC LIABILITY

General Public Liability (GPL) insurance is designed specifically to protect your business against any possible financial compensation claims by clients, guests or the general public where corporate or employee negligence could be construed to have been the cause of an injury or loss. This is problematic as GPL policies seldom provide cover for proper performance, which would usually be excluded as a liability assumed under contract by the insured operator.

How much cover is needed?

As a general rule it is far better to be over-insured than under-insured but this is directly proportionate to the affordability of the required premium. With insurance being perceived as a grudge purchase and the notion that “it will never happen to me” the temptation is to go for the cheapest cover but this can prove to be a false economy.

So how much is ‘sufficient’? The required cover or indemnity limit could depend on the ‘net worth’ profile of your clients. For example, consider a 40-something, married South African business executive who earns R500 000 a year, who is the sole breadwinner and has three dependents. He or she slips in the shower at your lodge and sustains a disabling injury to the spine and is unable to perform the same job as done before the incident. After a lengthy and costly legal case the court finds that you were negligent for not ensuring that the shower was fitted with non-slip tiles or mats. A possible award to the plaintiff could be in the region of R10 million in this example, if one takes into account the costs of on-going medical care, loss of income and even alterations to the family home to make it wheelchair friendly.

Now consider the event of multiple claimants, or foreign guests whose income and future medical costs need to be calculated in their currency of origin. Quite obviously, the cover amount needed corresponds to the profile of guests that your establishment caters for.

Liability claims can be very high as they are rarely based on tangible factors but on emotion and suffering and therefore may be ridiculous and blown out of all proportion. However any such claim will be influenced by the following factors:
• Negligence has to be proven – was your company truly at fault? Are your floor tiles dangerous, do you have sufficient signage, was the ranger driving recklessly, was the guide qualified and taking reasonable care when he walked the group up to the elephant?
• Was the client made aware of any risk and did they sign a sound disclaimer and indemnity form? This will certainly provide some legal protection but not in the event of true negligence. Signage and information given either verbally or in writing to clients is imperative. This may often be in your marketing literature where the risks and shortcomings of a tour or experience must be clearly stated under Standard Operating Procedures (SOP). The SOPs must be documented and shown to be practiced as a standard.
• How did you handle the situation after the event? Don’t ever openly admit negligence such as, “sorry it was my / our fault.” Handle the situation with compassion and understanding and where possible try and remedy the problem. Isolate the individual or people involved from your other guests and don’t let anyone else who is not directly involved or who is not able to offer proper medical assistance anywhere near the clients or the incident. It is often others who encourage, incite and worsen an already difficult situation.
• Make sure that everything is accurately recorded and that comprehensive statements are taken from all relevant people. Sometimes photographs might help. All details need be recorded for posterity sake as these matters often take years to conclude.
• Ensure that your company is fully compliant with all the local laws and regulations that govern your specific industry and all the staff that work for you. Health regulations must be met, guides must be licensed and qualified, buildings must meet certain standards.
• Inquire as to what other insurance the client might have. Most people travel with their own insurances and in many cases, are covered for such eventualities. In fact, specifically for clients travelling on tours, it is advisable to make personal insurance compulsory. However, in the event of blatant negligence, the other insurance company would still try and recover from your insurance or look for recourse against you.
• If applicable, inform the booking agent that the client booked through of exactly what happened so that they are well informed. These incidents have a habit of mushrooming once an ill-informed agent gets involved. This is especially important in the case of an injury or death where next of kin must be notified.

**TIP:** Contracting a specialist, medical emergency response service is advisable as your liability for decisions made in a crisis situation will be transferred to the service provider and the incident recorded for future reference in the event of a personal injury claim being instituted against you. *NB: Ensure that the service provider has sufficient medical malpractice insurance cover in place.*

A well-operated business must try and be as professional as possible so as to avoid the risk of actions of this nature. However no matter how hard we try there is always a chance of the unlikely happening and of course some clients are specifically looking for this eventuality. As these claims are often made in foreign currency, cover needs to be fairly substantial, usually in tens of millions. However do not become neurotic! Do not succumb to the obvious person who is trying to ruin your business. Make sure that your house is in order and fight the ridiculous claims and you should never have a problem. Remember that you are covered for those individuals who have a genuine claim. *Choosing a SATSA member insurance broker and underwriter who have the necessary experience and understanding of the relationship between your brand, goodwill and legal liability will prove invaluable in liability claims.*
Accidents will happen and it is comforting to know that your insurance will indemnify and / or compensate (the third party who does lose an eye or injure their back by slipping) on your behalf. It must not be seen as losing a battle or admitting guilt but as a necessary backup for a genuine situation. Your insurance underwriter will take a balanced and experienced and objective approach on your behalf. The problem may arise when you are not sufficiently covered for the magnitude of the claim. That is when your business is at risk because the shortfall would be payable by you, the service provider.

**TIP:** Any claim of this nature must be heard in a court within the country in which you do business. Never sign a contract that requires you to accept a foreign law as the presiding law and which might mean that you have to defend yourself in a foreign country or where you sign your rights away to a booking office where you acknowledge responsibility / liability for any accident / incident or specifically non performance which is almost never covered by insurance policies.

### 2.2) PASSENGER LIABILITY

To counter the effect of the Road Accident Fund Act (applicable within the borders of South Africa – refer point 2.3) SATSA recommends that tour operators who do cross-border tours into or from South Africa, retain both personal accident insurance (refer point 1.2[a]) and passenger liability insurance. In addition to this a number of contingencies may exist for local only tour operators who operate solely within our borders arising out of potential limitations to the benefits prescribed in the Act or in the event of the fund being declared insolvent.

Passenger Liability insurance covers incidents resulting from the transportation of passengers by land, sea or air and can often be included as part of a Motor, Marine or Aviation insurance policy.

**TIP:** Care must be taken to check that the motor policy wording does not exclude fare-paying passengers.

It is unlikely that an underwriter will be prepared to cancel or amend the wording of a standard motor vehicle policy, so make sure that the cover obtained is specifically for fare-paying passenger liability. These policies will invariably contain clauses in the policy wording that oblige you to comply with certain regulatory conditions, such as those in South Africa, which are laid down by the Department of Transport (Tour Operators Permit, Drivers’ PRDP, etc). In addition there may be certain mechanical devices required such as seat belts or speed inhibitors.

Passenger liability insurance basically covers passengers while in transit in a specified vehicle in the event of an accident. This is therefore an essential form of insurance and one that is most likely to be called upon. Many basic comprehensive vehicle policies carry a certain amount of passenger liability insurance but this is generally insufficient and does not cover all eventualities and geographical regions. It is therefore imperative that this section of a vehicle policy is beefed up and it is up to the individual company to make sure that all the regions in which they operate are covered by their policy.

**How much Passenger Liability cover do you need?**

As a general rule of thumb, the cover you need depends on the average number of passengers that you transport at any one time and the net worth of the individuals that you are transporting. Some policies recommend one million per seat but this does not make sense as it is more likely that one passenger in an accident will be more seriously injured than others and one million will not be enough to cover that one person in the event of serious injury.
TIP: It is better to ensure that the indemnity limit covers all occupants of a particular vehicle, on a per incident, per occurrence basis, regardless of the number of passengers.

Of course, the number of passengers that your vehicle is licensed to carry does make a difference in calculating the cover amount required. For instance, ten million may be sufficient for a microbus but a coach may need as much as one hundred million cover.

Let’s look at the sequence of events that could occur in the event of a serious bus or minibus accident:

• The accident occurs, quite often in a remote area in bad conditions and with limited communication facilities. If the driver or guide is able, they will immediately seek medical assistance, either by phone or by alerting passing motorists. This might be done by a passer-by, a nearby landowner or even by a surviving passenger. Obviously the first priority is to tend to anyone in need of immediate medical attention and those in desperate need may require airlifting. Normally the police are alerted at this stage and they will take eyewitness reports as well as a statement from the driver if he is able. No one can control the exact chain of events in accidents and one can only hope that common sense prevails and guardian angels are close at hand.

• At some stage the head office of the company involved will be alerted to the disaster. These are the calls that we all live in fear of receiving. They are very difficult to handle if made by a hysterical client or any third party and one must ensure that every attempt is made to only deal with a responsible logical person who can speak English and who understands the ways of the country where the accident has occurred. Obviously the ideal person is a member of your staff wherever possible. At this stage a senior member of the company involved must take responsibility for coordinating the whole event and this person must be mentally and procedurally equipped for the task at hand. This will often entail dealing with medical rescue teams and liaising with nearby accommodation establishments.

• An accurate factual report must be drawn up as soon as possible, preferably with input from your driver. This must not try and apportion blame but it must be to the point, with all relevant facts that any next of kin would need to know. Along with this one must try and ascertain the status of each and every client and their whereabouts relating to their injuries and to which hospital or doctor they have been transferred. Once in possession of this, this report should be made available to overseas agents for their information and for the next of kin. This report must not accept any liability but it must be factually accurate, as obviously one must not cause undue duress to anxious relatives. Such a report may be made available to the press should they already have been alerted.

• Your local insurance company or broker must also be informed as to what has happened so that they can also start to get their procedures under way. This is important, as it is ultimately the insurance assessor who will play a vital role in deciding the extent of liability if any and he can also act as the go-between your clients and your company.

• It is ideal to get a senior member of staff to the site of the accident as soon as possible. This is a difficult task as this individual is likely to take abuse and to bear the brunt of all sorts of accusations. As people are injured and traumatised they feel vulnerable and expect your company to take care of everything and pay for absolutely all incurred costs. It is a very difficult tightrope that the responsible person must walk and there are no hard and fast rules here. Obviously where possible your company must assist all passengers in getting to a place of comfort or to medical attention. It is at this stage that one has to ascertain the insurance
that each passenger is carrying and attempt to alert these companies abroad. Unfortunately many clients still do not carry sufficient travel insurance and some none at all. It is for these eventualities that all companies in Southern Africa should INSIST THAT ALL PAX TRAVELLING ON THEIR TOURS HAVE COMPULSORY COVER and details of such cover must be recorded at the start of the tour and kept on record in case of an emergency. In the heat of the moment it is very difficult to decide to what financial extent one is obliged to go to. Distraught passengers will request five star accommodation, phone calls all over the world, first class flights back home and the like. Should you oblige these requests and run up huge accounts on their behalf, you are unlikely to ever recover these. These expenses are what their insurance should be picking up and should not be for your company's account.

• Your own insurance company should agree to cover a limited amount of comfort expenses, which could obviously alleviate an unpleasant situation but try and get clearance for this from the assessor or better still, check that it exists in the policy wording prior to obtaining cover. It sounds terrible to have to think of money whilst people are in pain and bleeding but this is the reality of the world in which we live. Remember that accidents will happen, whether your company is at fault or not and EVERYONE must carry insurance for this eventuality.

• A necessary task here is also that of offering any uninjured or unaffected passengers the opportunity of carrying on the tour in another vehicle, with another guide, should they so desire. Obviously this will depend on numerous factors and generally it is unlikely that anyone will wish to continue in the event of a serious accident. However some clients may well wish to still try and make the most out of their remaining stay and your company is obliged to try and comply with this request if possible.

• Once clients are all in good medical hands or at a place of comfort with access to communication links, the role of the mediator is over. Clients have to take control of their own individual situation and agents have to alert next of kin and activate things from their side. Monies paid out of pocket by your company justifiably maybe claimed from your insurance company. Only after the assessor has completed this task will liability be apportioned. This is actually an issue for the insurance companies and does not really affect you. Should your company be liable for whatever reason, and you are sufficiently covered, your insurer will handle all claims and they should be settled. In most cases negligence is very hard to prove and the onus will be on the individual client to be sufficiently covered.

• In the event of a death of a client in an accident, the body will eventually be sent to a local mortuary. The process of repatriating the body to its country of origin is complicated and bureaucratic. The costs associated with this would normally be covered under your client's personal funeral policy or travel insurance policy, which again highlights the need to record such details prior to undertaking a tour.

• Finally when all the dust has settled, a reality that your company must face is the recovery of the vehicle. This can be costly and is only covered under the vehicle’s comprehensive insurance policy.

Obviously such an accident is every company’s worst nightmare but one must be prepared for it because the manner in which you handle it can mean the difference between the success or failure of your company.

Below is a list of pointers that an efficient operator must have in place to avoid unnecessary risk and the risk of being liable:

• In South Africa, the driver / guide must be legal in all respects. He or she must carry the correct driver’s license, a valid Professional Drivers Permit (PrDP) and if applicable a valid tourist guide’s license;
• The driver must have had adequate rest prior to the accident so that fatigue cannot be cited as a factor contributing to the cause of the crash;
• Obviously the driver must not be under the influence of alcohol or any drugs at the time of the accident. Should he or she have consumed an unreasonable amount of alcohol or be perceived to have partied until late the night before, this could count against you;
• The vehicle must have been mechanically sound prior to the accident. A proven service record will help. Tyre wear will always be a critical factor;
• The speed at the time of the accident will be crucial;
• A company’s past accident free record will certainly be in your favour;
• Should the driver have undertaken any driving training, this would be of tremendous help;
• Eyewitness accounts must be followed up, road surface and visibility conditions must be noted;
• Extra precautions like safety belts throughout the vehicle will also count in your favour.

Sometimes no matter what precautions you take, an accident will still occur. The human factor will always play a role, hence the need for insurance. Unavoidable negligence is not a crime. Even if your company is found liable, it does not mean that you will not be covered. In fact quite the opposite – that is the very reason why you are insured. Obviously the extent of the negligence is a factor as is the extent of injury to a client. It is for these reasons that this cover has to be substantial. One can imagine the claim when an individual is paralysed for life and you are at fault. Where a company can be crippled is when they are guilty of blatant negligence and their cover is either non-existent or inadequate.

2.3) ROAD ACCIDENT FUND - SOUTH AFRICA

What is the Road Accident Fund?

The Road Accident Fund is a public entity, which has been set up to pay compensation to people injured in road accidents or the dependants of people killed in road accidents arising from the negligent driving of a motor vehicle in South Africa.

Where does the Fund get its money from?

The Fund gets its money from a fuel levy included in the price of petrol and diesel, which is paid by drivers of motor vehicles.

Is a lawyer required?

The Fund employs staff at all regional offices and at various public hospitals to assist claimants free of charge. However a claimant may still decide to employ a lawyer. The lawyer will be entitled to charge a fee for professional services rendered.

Time period to make a claim

If the identity of the offending driver or owner is known, the claim must be lodged within three years from the date on which the claim arose. (This does not apply to a claim of a minor). If the identity of the offending driver or owner is unknown, the claim must be lodged within two years from the date on which the claim arose.

Who is entitled to make a claim?

1. A person who was personally injured (except a driver who was the sole cause of the accident).
2. A dependant of a deceased victim.
3. A close relative of the deceased in respect of funeral expenses.
4. A claimant under the age of 18 years must be assisted by a parent or legal guardian.
What can you claim for?
- Medical expenses (past and future);
- Funeral expenses;
- Loss of earnings or income if person is disabled (past and future);
- Loss of support for a dependant of a deceased victim (past and future);
- General damages for pain, suffering and disfigurement in the case of bodily injury.

  Note: This is determined after examining the extent and severity of the injury.

How is a claim made against the Fund?
- A claim must be made on the Claim Form (Form 1 is to be used in respect of claims arising prior to 01 August 2008, and RAF1 for 01 August 2008 onwards) which is available from offices of the Road Accident Fund.
- Every applicable paragraph must be fully completed.
- The doctor that treated the injured person immediately after the accident must complete the medical report section in the claim form.
- The claim form must be signed by the claimant.

What documents must be submitted with the claim form?
In the case of injury the following documents must be attached:
1. A certified copy of the identity document of the claimant;
2. An affidavit by the claimant;
3. The Police report (OAR), police statements and police sketch plan;
4. Documents to prove loss of earnings e.g. salary advice slip;
5. Documents to prove medical expenses;
6. Copies of hospital records if available.
7. A serious injury assessment report (in respect of claims arising after the 31 July 2008) where general damages are claimed.

If the accident victim is deceased, the following additional documents are required:
8. Identity document of deceased;
9. Death certificate or post mortem report;
10. Documentary proof of marriage (if claim by spouse);
11. Full unabridged birth certificates reflecting the names of parents;
12. Proof of earnings of all parties involved;
13. Proof of reasonable funeral expenses.

The claim form and the accompanying documents must be hand delivered or sent by registered mail to the Fund at the address appearing under Branch Contact Details on the RAF website (www.raf.co.za).

Important considerations:
- Property damage cannot be claimed from the Fund, it may be claimed from the offending driver;
- An accident must be reported to the police and the Fund by the driver/owner;
- Compensation will be reduced in relation to claimant’s own negligence;
- Compensation for a passenger in the offending vehicle is limited to R25 000 in respect of claims arising prior to 01 August 2008.
- Compensation received from the Compensation Commissioner in a case where a person is injured on duty, is deductible.
- The Fund may require a person to submit to investigations and medical examinations;
- A claim may be excluded if the claimant fails to cooperate during the Fund’s investigation.
- There are certain categories of claims that the Road Accident Fund Act excludes.
The Road Accident Fund Amendment Act, No19 of 2005, which came into effect on the 1 August 2008 brought about the following changes to claims arising after 31 July 2008:

- The limit of R25 000.00 placed on the claim of a passenger in the offending vehicle, has been removed.
- General damages claims are subject to an assessment by a registered medical practitioner accredited by the American Medical Association, to determine the severity of the injuries suffered and whether or not the injury is to be classified as a “serious injury”.
- Damages for loss of support are capped at R219 820.00 (as at 30 April 2014) per year in respect of each deceased breadwinner.
- Damages for loss of income is capped at R219 820.00 (as at 30 April 2014) per year.
- The maximum amount upon which claims for loss of income and loss of support are calculated (R219 820.00) is subject to an annual inflationary adjustment in line with the official CPI measure.
- Emergency medical treatment is payable by the Fund in accordance with a prescribed tariffs. (NHRPL tariff)
- Non-Emergency medical treatment is payable by the Fund in accordance with the Uniform Patient Fee Schedule for full paying patients.
- The exclusion of claims by members of the same household as the driver of the motor vehicle has been removed, and such claims are now permissible.
- The exclusion of claims by fare paying motorcycle passengers has been removed, and such claims are now permissible.

It is important to note the effect that the new Road Accident Fund legislation has on the tourism industry in terms of legal action following a motor vehicle accident. The abolition of the injured parties (passenger / tourist / guest) common law right to sue the wrongdoer (operator), means that following a motor vehicle accident the severely injured tourist will only receive limited compensation from the Road Accident Fund and will have no right of recourse against the wrongdoer.

As South Africa’s primary inbound markets emanate from European Union countries and are subject to the E.C. Directive on Travel and Trade Act, agents will find themselves even more exposed to risk. If an injured guest’s damages cannot be recovered against the local operator, their client will no doubt seek to hold them responsible in terms of said directive.

2.3(a) PASSENGER PERSONAL ACCIDENT INSURANCE

To provide some form of reassurance to overseas travel agents and their clients, SATSA recommends that tour operators secure personal accident insurance cover on behalf of their passengers. Tour operators who also do cross-border tours into or from South Africa, should retain both Passenger Personal Accident insurance and Passenger Liability insurance. It is advisable to secure cover on a per passenger / per seat basis with limits relative to the passengers’ needs. Be aware of any event limitations and recommend that your passengers supplement the available compensation with their own Personal Accident insurance policy.

Passenger Personal accident insurance is a very simple from of cover with a capital benefit or sum insured, which is paid in full in the event of accidental death and paid on a sliding scale basis depending on the severity of injury in the case of permanent disablement. There is also medical costs insurance cover that is included to be used to cover such costs resulting from the accident.
One of the main differences between a passenger personal accident insurance policy and a liability policy is the fact that the personal accident policy is on a no fault basis, which means that it will make payment to an injured person regardless of fault. A liability product will only make payment to an injured person where there is proven legally liability as a result of negligence on the part of the insured operator that resulted in injuries to said person. So logically the personal accident policy will be more costly as it will pay regardless of fault on behalf of the operator.

A classic example of this difference would be a situation where an insured operator with six guests in their vehicle is hit by a third party vehicle and three of the passengers are killed. The cause of the accident had nothing to do with the insured operator’s actions as the third party vehicle was solely at fault. With a liability product, nothing would be paid as there was no fault on behalf of the insured, likewise any legal action against the operator would not have been successful for the same reason. In this same situation a personal accident policy would pay out.

2.4) PROFESSIONAL INDEMNITY

This is another form of liability insurance, which is aimed at professionals like travel agents, tour operators and event organisers who offer advice, professional services, organise events and provide detailed brochures or itineraries to tourists and clients. It provides you with protection in respect of your legal liability arising out of the practice of your profession. This normally arises as the result of negligent acts, errors or omissions and is tantamount to a form of breach of contract to perform an agreed duty on behalf of the client.

The world in which professional tourism service providers operate is one of ever increasing pressure, with demands for quick answers and cost effective solutions. This pressure can lead to errors and omissions, which can and do give rise to claims. The ever growing extended value chain in tourism and other business is significantly increasing the likelihood of claims of this nature.

Circumstances that give rise to professional liability claims are seldom clear-cut – they often give rise to disputes as to the nature and extent of the responsibility. In cases where you are blameless you may nevertheless be drawn into lengthy disputes, which can be both financially and emotionally draining. Professional Indemnity insurance provides both you and your client with peace of mind and financial protection. Even the costs of defending a claim in which no liability exits can be substantial and result on significant financial loss to the operator if not catered for under an appropriate policy.

2.v) DIRECTORS AND OFFICERS LIABILITY

Directors and Officers Liability insurance covers damages that may be awarded to a plaintiff in a law suit as well as legal defence costs. The policy may be extended to cover criminal and regulatory investigations and trials.

Claims may arise from shareholders, customers, industry regulators or competitors (e.g. unfair business practices). Directors and officers may also be held liable if they breach their duties or contracts to the company, mix personal and business assets or fail to disclose conflicts of interests.

3. VEHICLE / PROPERTY INSURANCE

This is more the kind of insurance that we as individuals are familiar with. Whether a business or an individual the following risks are a reality that has to be accounted for.

3.1) VEHICLE INSURANCE

3.1 (a) Motor

A comprehensive Motor Policy covers a road vehicle for most scenarios relating to any form of accident,
as well as in the event of the vehicle being burnt out in a fire and of course, the greatest risk of all, theft. Should an accident be your fault and a third party is affected, this would also be covered under such a policy. In terms of Motor Policies, the onus lies with you, as the transport operator, to ensure that you comply with and adhere to, statutory requirements laid down by law (ignorance of the law is no excuse when it comes to litigation). These are:

- The vehicle must be roadworthy, of a suitable size (Tare) for carrying the number of passengers and be equipped with basic safety features (seat belts).
- The vehicle must be registered for the purpose for which it is used specifically such as carrying passengers or goods for reward.
- The driver must have a Professional Driving Permit (PDP), which requires that he / she is twenty one years of age or older.
- Any insurer specific terms or conditions as outlined in the policy and explained in detail by your broker must be adhered to.

In addition, it is also important that operators obtain the correct insurance cover for the vehicle itself. Namely, that the vehicle is insured for ‘business’ or commercial use and not under a ‘domestic’ motor policy (the lower premium applied to domestic motor insurance will cost you more in the long run when your claim is declined on the basis that the vehicle was being used to carry ‘fare-paying’ passengers, which would therefore be construed as being ‘business use’).

**TIP:** Most policies insure on retail and not replacement value – be sure to check this on your policy. The responsibility for advising the insurance company of the vehicle’s annual depreciation is shared by you and your broker and should be done annually at renewal.

Motor insurance policies may be broken up and it is possible that only sections of the complete cover can be purchased. It is essential that you and your broker thoroughly understand the cover provided by your policy. Motor insurance policies include the following sections:

- **Accident cover.** Your vehicle is involved in a road accident, either with another vehicle or with a stationary object or maybe just due to a loss of control. Providing that you are sufficiently covered, as per the value of your vehicle, the damages sustained to your vehicle would be paid for, subject to the deduction of an excess or first amount payable, as per your policy directive. If your vehicle has to be towed this too would be covered under this section of the policy. You would also be covered in the event that the driver was not yourself but another legal authorised party.

- **Third party cover.** If, after the accident, it is ascertained that the accident was your fault and you have caused damage to another vehicle and a garden wall for instance, these further damages would also be covered under your policy. Often the blame of an accident is subject to dispute and the insurance companies of each party have to fight it out, and in extreme cases this can go to court. Conversely where the accident was not your fault at all, you or your insurance company would claim from the guilty party’s third party cover in order to cover your expenses. Where complications arise is when the guilty party is not insured at all and that is when either you or your insurance party may have to resort to claiming the money from him or her in a court of law.

- **Fire.** This relates mostly to the occurrence of your vehicle being burnt out. Your car could obviously be burnt out as a result of an accident. This will also cover you in the event that your car is parked in somebody else’s garage which burned down, although the first recourse here would be that persons home owners insurance, but if that did not cover you then your own fire policy would.
• **Theft.** As the scourge of our region, this cover is very relevant. This cover is in the event of your vehicle being stolen or hijacked. However, great caution needs to be taken here as each insurance company has different requirements. The value of the vehicle, the nature of your alarm system or tracking device, and where the vehicle was stolen, would all be taken into account. Remember that it is important that you declare the value of your vehicle correctly or else you will only be paid up to the value that you are covered for and not maybe what your vehicle is worth. In many instances Insurers require an anti-theft or tracking device be fitted in order to obtain cover.

3.1 (b) **Marine**
Marine insurance policies offer comprehensive insurance on vessels’ hull, motors, furnishings and fittings and all associated equipment on any marine vessel. Passenger liability clauses held under Marine policies are normally specific to this class of insurance. In other words, your passenger liability policy held under a Motor policy will not cover passenger risks for your boat as well.

3.1 (c) **Aviation**
As with Marine, aviation policies provide cover for an aircrafts fuselage, motors, furnishings and fittings and all associated equipment. Passenger liability clauses held under Aviation policies are specific to this class of insurance.

**3.2 PROPERTY INSURANCE**
This insurance covers basically two categories, that of the actual structure of the buildings and that of the actual contents.

3.2 (a) **Structural**
This insurance will cover you in the event of your lodge or hotel being destroyed by fire, flood, wind, falling trees or any other such eventuality. In the tourism industry, the biggest risk is usually fire or flood and here once again, one must make sure that you are sufficiently covered to survive the cost of restoring your establishment to new at the current building costs. Such insurance will exclude certain circumstances such as subsidence (the sinking down of land resulting from natural shifts or human activity) and will demand certain precautions in the event of lightning, etc. Make sure to check that your policy covers any unusual construction materials such as thatch or indigenous wood and take note of any special requirements such as maintained fire breaks. Two additional items that must be included in this cover are that of loss of income during the period of repair or rebuilding due to cancelled bookings and refunds and that of covering yourself against a claim from a neighbour in the event of a runaway fire, which could be proven to have originated on your farm or property.

3.2 (b) **Contents**
This cover is for when you specifically wish to cover the contents of your hotel or lodge in the event of one of the above disasters happening. It is all very well rebuilding your establishment, but it is often more expensive to furnish it. Contents normally have to be itemised on a policy in order to justify replacement. The random theft of an item would also be covered under this insurance.

3.2 (c) **Extensions**
The following is a list of some of the property insurance policy extensions, which can be included, either at an additional premium or included in the cover:
- Money held on your premises or in transit.
- Computer equipment.
- All Risk items as specified.
• Fidelity: Loss of money or stock as a result of theft or fraud by your employees.
• Business Interruption: Loss of income as a result of one or more of the insured perils, including prevention of access and failure of public utilities.
• Machinery Breakdown: Cost of repairs or replacement of damaged machinery. Also extended to include any consequential loss of stock or income as a result of breakdown.
• Goods in transit.
• Contents cover: To cover all contents as per buildings, with optional theft cover.
• Accidental Damage: Accidental physical loss of or damage to your property at or about the premises not otherwise insured or for which insurance is available and described in terms of any other section (other than Business All Risks) listed in the index of the policy.
• Deterioration of Stock: normally for perishable goods as a result of an electrical fault or failure of supply.
• Glass: Loss of or damage to internal and external glass (including mirrors), signwriting and treatment thereon at your premises for which you are responsible.
• Office Contents: Loss of or damage to the contents (other than documents and electronic data processing equipment unless otherwise stated in the schedule) including landlord’s fixtures.

4. TRAVEL INSURANCE / MEDICAL RESCUE
This is insurance that only applies to an individual who is travelling. Such insurance is often compulsory in certain parts of the world, and as stated before, you should make this a compulsory condition for any clients using your facilities or travelling on any of your tours. This insurance is usually purchased by the client when choosing the tour or package and is sold by agents all over the world. It covers the client against the following eventualities:
• Cancellation. Should a client, prior to travelling, have to cancel their holiday for any legitimate reason, they would normally be subject to a cancellation penalty, which could cost them dearly. However if they carry this insurance and this eventuality does arise, then the policy would cover the penalty payable.
• Curtailment. Should a client, whilst already on holiday, have to cancel their holiday for any reason, they would normally forfeit any amounts paid and still be liable for the whole cost of their booking. This insurance would compensate for the unused portion of their stay. Obviously, the reasons for such curtailment must be genuine.
• Lost baggage and theft. This will cover the loss of baggage and other personal items while travelling, although they should be itemised beforehand. Should the client specifically wish to cover he loss of cash this can be covered but is very expensive. Obviously airlines cover baggage they have lost, and banks will cover lost travellers cheques, but this insurance is more far-reaching.
• Medical and rescue. A huge fear for any traveller is that of falling ill whilst on holiday, or worse still, being involved in an accident in a foreign country. Fortunately for clients travelling within Southern Africa, medical expenses are relatively low, but the cost is still a concern. This cover is very important and will cover clients for any major medical expenses and specifically in the case of hospitalisation. What is also very important is that these policies will sometimes cover the medical rescue from the scene of the accident, and if necessary, the transfer of the client to any other hospital where better medical attention may be available. These policies will also sometimes cover the repatriation of an injured client to their country of origin, if necessary, and the repatriation of the mortal remains should the accident prove to be fatal. This insurance is not very expensive and yet many travellers will insist on travelling without it.
TIP: Remember when compiling your rooming lists or your tour mandates to record the details of each client’s insurance cover, so that in the event of them being ill or injured, you can access this information in order to alert their insurance company.

4.1. MEDICAL EVACUATION INSURANCE

If your accommodation establishment is located in a very remote area and you are concerned that this fact may inhibit your potential to attract tourists, you may want to consider taking out your own medical evacuation insurance.

These policies cover your guests the event of them sustaining a life threatening Medical Emergency following bodily injury or acute illness, where:

• Local facilities are not suitable to treat the medical condition;
• You consider the local medical services available to be inadequate;
• The attending doctor, in agreement with your Guest, recommends hospitalisation of a kind not available locally. You will contact one of the specified service providers who will arrange, monitor, supervise and pay for the following services, which will then be reimbursed in full or in part depending on your policy by underwriters:
  • The evacuation of the guest to the nearest appropriate hospital;
  • The relocation, with or without medical supervision, by means considered to be suitable by you or the attending doctor (including ambulance, chartered or commercial flight or road transport) to a hospital more appropriately equipped for the particular emergency;
  • The repatriation, including road ambulance transfers, to and from the airports with necessary medical supervision to an appropriate hospital or other healthcare facility near the residence of your guest.

Remember that quite often the individual involved in an accident on your property or in one of your vehicles could be a staff member. It is advisable to have a clear policy in this regard. Most medical aids are adequate but, specifically with guides, a personal accident policy is advisable in the event of a vehicle accident in a remote area. However such cover is taken out in the individual’s name and would depend on company policy, risk and demand.

TIP: Part-time guides are NOT automatically covered for any medical emergency and should therefore carry their own private cover as they are in effect self-employed and therefore do not necessarily enjoy the benefits of a full time employee.

5. OTHER BUSINESS INSURANCE

Part of being a business owner and breadwinner means making provision for unforeseen challenges. Risks associated with life assurance are not pleasant to think about, but they do play a significant role in your business and personal life. The results could be disastrous if they are not properly insured and managed. The following insurance policies are recommended:

• Buy & Sell. All businesses have a unique set of financial requirements which need to be managed in times of crisis and Buy & Sell agreements can provide reassurance as they provide a legal document that ensures that the business is not thrown into disarray if one of the shareholders dies or is disabled. Buy & Sell agreements preserve the continuity of business ownership and are designed to protect the shareholding of the partners or owners by providing the surviving shareholders with the funds needed to purchase the shares of the deceased shareholder.
• **Key Person.** This cover is an insurance policy that is taken out by an employer to insure the life of a key individual within the organization. A key person is anyone within the business who significantly enhances profitability. The policy provides the finance that will be needed to recruit and train a replacement for the position that the deceased key person has vacated.

• **Personal Liability.** Businesses incur debt and shareholders generally have to sign surety for these debts, which creates both business and personal risks. Personal Liability insurance transfers the risk by providing cover for sureties signed by the business partners in the event of the insured untimely death.

• **Personal Life and Disability.** As a responsible partner and parent, it is important to be prepared for any eventuality, especially death and disability. Your family’s standard of living could suffer in the event of death, disability or dread disease of one or both of the bread-winners. Personal Life and Disability insurance cover provides the funds needed to continue supporting your family if you are unable to continue working due to illness or injury and ensure that major debt items such as home loans and car repayments do not cripple the family financially.

• **Retirement.** After a lifetime of hard work, retirement should be about enjoying a relaxing and well-deserved break but it can become a distant dream if the retirement funding that has been put into place is insufficient and basic needs cannot be met. Retirement insurance cover allows for the investment of small sums of money on a monthly basis to accumulate to the desired capital needed to ensure a financially stress-free retirement.

**SUMMARY**

The preceding pages cover the broader aspects of the insurance’s applicable the tourism industry. In summary, a few important facts are worth repeating:

• Wherever possible make sure that your business is run legally and within the industry specific regulations.

• Always remain calm and provide the obvious humanitarian services to a client, that you would expect to receive yourself, were you in a similar situation. Never admit liability or fault or make discretionary payments without discussing these with your insurer and broker first.

• Make sure your broker thoroughly explains the risks that you are covered for, the terms and conditions which you must comply with and equally importantly the risks which you are NOT covered for.

• Make sure that you are reasonably well insured for all eventualities. Don’t be pressured by horror stories and the threat of how a tourist will destroy you, but be prepared for the normal accident situation. Remember that many insurance policies overlap and you can be covered twice over in some respects.

• Make sure that all accidents of any nature are reported to a relevant official authority and make a detailed record of the circumstances.

• Make sure that your policy covers you in all of the different countries in which you operate and for all the different activities that you conduct. In other words does the policy you bought in Cape Town cover you for the hippo attack that occurs in the middle of the Okavango Delta?

• Ensure that all your paperwork is up to date. Try and make absolutely sure that your clients are aware of exactly what they are in for and that they sign acknowledgement of this fact.

• Make sure that your vehicles are in the best possible condition that they can be. Don’t cut corners on safety measures or roadworthiness of your vehicles.
• Make sure that the literature promoting your business is factual and not misleading.
• Never feel pressured to sign unreasonable contracts with agents that increase your liability and limit your rights to that of another country. You operate in Southern Africa and that is where you must fight your battles.
• Select sub-contractors with care. As far as practically possible try and only use SATSA members. Should you use a contractor on a regular basis draw up a standard service agreement making them responsible for their product and giving you recourse in the event of non-performance.
• When a foreign operator is selling your product from their brochure, or in fact even selling it without brochure inclusion, try and ensure that they are representing your product accurately. Wherever possible, proof-read and authorise any literature that displays your product before being bound by it.
• Try and ensure that the gross price that your agent charges the consumer is a reasonable mark up and reflects good value for the service or product offered. If prices are high, client expectations are also high, and this often leads to conflict at the point of supply.
• Beware of giving credit to agents who are ‘bad payers’. Many a time payment may be withheld in the event of a dispute and this puts you in a very vulnerable position. A financially weak agent may try and use a complaint as a reason for non-payment.
• Make sure that your agents’ cancellation policies are in line with yours. Agents are under pressure to pay back deposits and return funds at the last minute, and this can leave you high and dry. However you must be prepared to share some responsibility and risk with your foreign agent, as they also have difficult parameters in which they work.
• Don’t be bullied into refunding agents if you feel it unjustified. Make sure complaints are in writing and that you have had a fair chance to respond. Insist on receiving all correspondence and get the full picture. Proof of any refunds made by agents should be requested. Obviously when the complaint is genuine, act with dignity and try and sort out the situation as fairly and quickly as possible.
• Above all, remember that your products or services are competing and being compared with those of all other similar products from all over the world. Ensure that your prices are competitive and that your service is beyond reproach.
we’ll take care of your admin

SATSA members qualify for a 10% discount off any of our services!

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Would you trust your insurance broker with your life?

Lauren & David decided to spend a weekend away in the Drakensberg. Shortly after arrival at their hotel, Lauren started to feel cramping in her lower abdomen which continuously worsened into the evening. The hotel staff immediately contacted SATIB24 Crisis Call. Our doctor discussed the presenting features of Lauren’s condition with David and attributed the sudden pain pointing to a potentially life threatening scenario - ectopic pregnancy.

Whilst the doctor was consulting with David, the nearest private ambulance provider was contacted by our Crisis Call Centre and a response vehicle and ambulance requested. The receiving doctor of the nearest private hospital was informed by our doctor of the suspected diagnoses and he requested an emergency admittance for Lauren.

She was stabilised by a response paramedic and evacuated with advanced life support to the private hospital where she was admitted and treated for an ectopic pregnancy. Had it not been for the quick initiative & careful planning, even a mere 10 minutes delay may have resulted in Lauren’s demise.

SATIB24 Crisis Call is a critical incident management service with an insurance component available ONLY to SATIB clients. Staffed by a professional team who manage a variety of critical incidents on a daily basis, they know what the issues are, where the exposures lie and how best to manage any critical incident on the continent of Africa. We deal with an average of 10 incidents daily! Don’t wait until it is too late - **Call us NOW!**

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