

Zurich Insurance buys 100% of BnB Sure

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JSE-listed Zurich Insurance Company SA said it had bought 100% of BnB Sure, for an undisclosed amount, in a deal that will enable the insurer to offer niche insurance to bed and breakfast businesses.



B&B's get insurance (Image: Wiki Images)

BnB Sure's chairman Dave Jack said the company offered bed and breakfasts and guest houses insurance that covered loss of revenue due to damages to the property as well as insurance for injuries that affected guests staying at the guest house.

He said BnB Insure was the only underwriter with a 100% focus on bed and breakfasts.

"What happens if there is a huge storm that damages two or three rooms that you can't use for a month? With BnB Sure the owner of the guest house can turn to the policy to sort out the damage," Jack said.

"We will also repay any income that the owner might have lost due to damages," he added.

He said that traditional insurers covering personal lines often refuted insurance claims that arose from commercial activities.

The deal is effective from January and subject to approval by the regulators, which includes the Financial Services Board.

"At Zurich we have want to position ourselves in the hospitality industry," Zurich Insurance Company's chief executive Edwyn O'Neill said adding that BnB Sure had about 4,000 policyholders and Zurich would use its broker network to sell the BnB Sure products.

"We are leveraging our scale and capability network to distribute this product through our existing infrastructure," O'Neill

said. "We are looking for long-term, sustainable growth in hospitality, based on the growth of tourism in the country," he added.

Last year, tourists to South Africa grew 10% to 9.2m people compared with 8.3m travellers in 2011.

"As far as the bed and breakfast sector is concerned it's estimated that there are about 30,000 bed and breakfast and guest house establishments in South Africa," Jack said. "It's also estimated that by 2016 that number would have grown by about 5%."

Jack said BnB Sure did not have a specific target market. It had bed and breakfasts and guests houses ranging from Soweto to Camps Bay.

"It does not matter where the bed and breakfast is. They have similar risks that they face everyday," he added.

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