

Santam loses appeal in coronavirus case with hotel group Ma-Afrika

By [Emma Rumney](#)

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South Africa's Supreme Court of Appeal has ruled Santam is liable to cover the impact of Covid-19 restrictions on hotel group Ma-Afrika for 18 months, rejecting the insurer's request for a shorter timeframe on the claim, according to a representative of Ma-Afrika



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Globally, firms like Ma-Afrika have been fighting insurers' rejection of claims made under their business interruption policies after they were forced to close as the pandemic took hold. In South Africa, insurers said their policies did not cover national lockdowns.

The court, which does not publish judgements itself, had already ruled Santam was liable to pay Ma-Afrika's claim. Santam accepted the ruling but appealed the indemnity period, arguing it should only be liable for three months.

A spokesperson for Santam had no immediate comment.

At its results in March, Santam said that for 2020 it had set up a R2bn (\$134m) reserve for business interruption claims, net of reinsurance, which was its best estimate of costs after it was ordered to pay.

Insurance Claims Africa (ICA), the loss adjuster representing Ma-Afrika, said in a statement the appeals court ruling meant Ma-Afrika had won the "final stretch of the battle" to get Santam to honour claims.

"The court's decision in this matter is crucial for thousands of Santam's... business interruption policyholders," said Ryan Wooley, ICA CEO.

The insurer has previously extended rulings in the case across its affected client base, and other insurers have also watched the case to get an understanding of their liabilities.

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