



OCTOBER NEWSLETTER 2019

Written by:
JANO PRINSLOO
General Manager



the Team



Dear NSB client,

As spring breathes new life into the world around us, it is time for another newsletter. Our aim with the newsletter is to give you some advice and guidance on the world of insurance.

As always, we take this opportunity to thank you for your continued support. The confidence you place in National Satellite Brokers (NSB) to handle your most valued assets is a responsibility we take seriously and consider it an honour and a privilege that you chose us as your Broker.

From the desk of our Specialist Underwriter:
SANDRA BREYTENBACH
Underwriting Specialist



Are you considering generating extra income with Airbnb? Does your insurance policy cover you for potential damages?

Are you considering generating extra income with Airbnb? Does your insurance policy cover you for potential damages?

With today's struggling economy, many people advertise their extra space on a platform such as Airbnb, to generate additional income. A great idea if you have the space; however, you run the risk that your property may be damaged, or items stolen by the occupants.

A short-term personal policy, primarily, only covers property for private residential use; and it is the policyholder's responsibility to disclose to the insurer when they rent out space on their premises.

At present, insurers are reluctant to accept a risk that forms part of Airbnb, or similar type of rental agreement. If they agree to underwrite the risk, the policy will be endorsed to state, ***"If rented out or used by other people, malicious damages and theft not accompanied by forcible entry is automatically excluded as per the policy wording."***

This means you will not have any cover if items are stolen by the occupants renting the space, unless there are signs of forcible entry. This almost renders the cover redundant, as the occupants would have keys to enter and exit your premises.

It may be advisable to consider a commercial lines insurance policy, instead, as the cover offered is tailored to accommodate this type of risk. A commercial policy will include sections like loss of income and public liability.

If you are contemplating opening up your home to Airbnb, remember that you are responsible for the maintenance of your property and injury to your guests due to structural defects may open you up to a liability claim.

So, be sure to contact us to discuss the various insurance options available to you and we'll look out for your best interests.

**24/7
ASSIST**

From the desk of our Claims Expert:
ALNA BLOEM
Claims Expert



Our Claims Department will make every attempt to assist you with feedback from the insurer related to a third party recovery.

As a client, one of the reasons you take out vehicle insurance is to cover you against your vehicle being damaged in an accident, and possibly, where you were not at fault.

However, the terms and conditions of the policy require you to pay an excess to the vehicle repairer, before you can take delivery of your fixed vehicle.

In the case where the accident was not your fault, we often have queries from clients related to the recovery of the excess from the person responsible for the accident, otherwise known as the third party. In terms of your insurance contract, your insurer assumes the right to pursue any recovery from the responsible party – a legal concept known as subrogation.

This third party recovery process is not always successful, and as Brokers, we cannot guarantee that the excess will be recovered from the third party or that you will be refunded the amount.

Your insurer has the legal right to pursue the recovery of the outlay of the cost of the claim it had to incur, due to a third party's negligence; and, as part of that recovery process will agree to include the excess paid by their insured.

There are instances where the insurer will not pursue recovery from a third party. Possible scenarios may be that the insurer does not consider the third party negligent, or totally negligent, or the financial situation of the third party

(possibly uninsured) does not warrant the expenditure of excessive legal costs.

In such cases and where the insurer has made the final decision not to pursue a recovery, you as the insured party, can undertake your own legal action against the third party to recover the excess, if you are satisfied that that the accident was due to the third party's negligence. These proceedings will commonly occur through the Small Claims Court, where the value of the financial loss is less than R12 000.

Our Claims Department will make every attempt to assist you with feedback from the insurer related to a third party recovery.

From the desk of our Sales Consultant:
RENÈ SCHEEPERS
Sales



Steve Jobs said, “Technology is nothing. What’s important is that you have a faith in people, that they’re basically good and smart, and if you give them tools, they’ll do wonderful things with them.”

Smart phones, iPads, tablets, GPS units, laptops. All amazing technological tools and almost indispensable to modern day existence. However, have you considered whether you've correctly insured these items?

The All Risks section of your insurance policy offers world-wide coverage for these items and includes cover for just about any eventuality, except negligence.

This means, if you leave these items in an unattended vehicle, make certain they've been stored in a locked boot. The cover provided for items stolen out of a vehicle will only extend where there is evidence of forcible and violent entry into the vehicle. With signal jamming being a serious

consideration in South Africa, please ensure that your vehicle is securely locked before leaving it unattended.

A common query that we receive relates to the value for which these items should be insured. The answer is always replacement value. For example, you insured your Samsung S7 for R8 000, in 2016, when you purchased it. The amount for which you insure the item will be the cost to replace it with exactly the same make and model.

You have a claim today and the model is no longer in production, so the cash settlement made to you will be for R8 000, less the excess applicable. Make sure items are insured for the replacement values.

It's important to note that insurance companies have procurement departments who establish contracts with many service providers to replace items, and, because of the volumes purchased, they will be afforded discounts. Therefore, if an insurer can replace your item at a lower cost than the sum insured, and you choose rather to have the claim settled in cash, the payment will be for the amount at which the insurer can replace the item, and not your insured amount.

From the desk of our Specialist Underwriting:
ANIKA BEHLE
Underwriter Specialist



“A question we often get asked, is why vehicle premiums increase if the retail value has been decreased.”

As the most recent addition to the NSB team, my first post relates to the annual renewal or review of your insurance policy.

Once a year, your policy comes up for its anniversary, that is, 12 months from date of inception of the policy.

As your Broker, we receive a copy of the new terms and conditions under which the policy will be renewed for the forthcoming 12-month period and will send you said copy within at least 30 days of the renewal date.

Part of the renewal process from our side, is to adjust the value of the insured vehicles to the current retail value. Most insurers will automatically increase the sum insured of the house contents and buildings sections, to accommodate inflation and additional purchases throughout the preceding year.

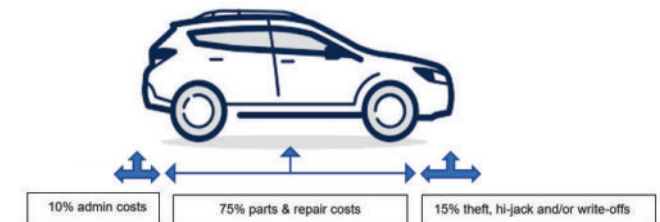
Your duty as the insured, is to review these changes and consider whether the current cover meets your needs, most especially with regard to insured items, sums insured, excess structures and security measures.

You must inform us of any changes that need to be made or possible re-adjustment of the policy to include new risks – remember the AirBnB post above.

A question we often get asked, is why vehicle premiums increase if the retail value has been decreased.

It is important to understand that the insurer will do a general increase on your policy at renewal, to accommodate inflation and the cost of vehicle parts and repairs continuously increasing. The cost to repair your vehicle today, is higher than the same repairs, a year ago.

The value of your vehicle is only relevant in the event of a complete loss (theft, hi-jack and/or write off). These types of incidents are only 15% of all vehicle claims received and the reason why a decrease in value only makes a small difference on the total premium of the vehicle.



Did you know?

If you have to buy all the parts of your vehicle separately, it would cost more than the retail value of your vehicle.

Introducing New Products

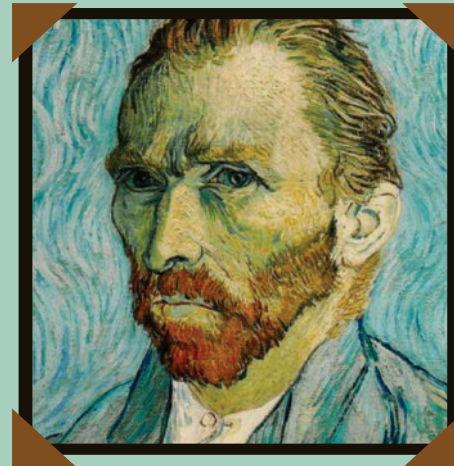
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